**European Committee
of the Regions**

CIVEX

Developing a Decentralisation Index for the Committee of the Regions Division of Powers Portal

Table of contents

List of tables, figures and boxes

1. Overview of the study and objectives

Milieu was tasked with developing a 'Decentralisation Index' for the Committee of the Regions (CoR).

The Decentralisation Index is intended to become an integral part of the Division of Powers (DoP) portal developed by the CoR. The DoP provides detailed information on the governance structures and competences of different levels of governments across the Member States, candidate and potential candidate countries as well as Eastern Partnership and Southern Neighbourhood Area countries[1]. It also includes information on how competences across different policy fields are shared among governance structures. The portal provides qualitative information on horizontal aspects of governance such as subsidiarity and relations with EU institutions. It was extended and updated in 2016, integrating additional information such as fiscal decentralisation and then revised again in 2019 for the EU countries[2].

The DoP is also an ongoing work, and the CoR is seeking to further develop its accessibility and the value of the information available on the portal. Against this background, this study has the following objectives[3], which are closely interlinked:

- to propose and test an approach for developing a decentralisation index for three dimensions of decentralisation (i.e., fiscal, political and administrative), building on existing data (mainly from the DoP) and publicly available data from other sources;
- to provide a tentative structure for the graphic representation of the index per country and over time;
- to explore ways to better structure and quantify the existing information in some of the sections of the DoP.

The following sections are structured as follows: section 2 presents a brief introduction to the concept of decentralisation. Section 3 provides the overall methodology and detailed study steps as well as quality control mechanisms and the list of deliverables. Section 4 presents the indicators included in this study in more detail and the rationale behind them. It also presents the findings and suggestions for the future updates of the DoP, specifically regarding data

---

[1] The portal also covers UK and Iceland.
[2] CoR, Division of Powers, Disclaimer, available at:
https://portal.cor.europa.eu/divisionpowers/pages//default.aspx.
[3] As per the services requested and subsequent discussions between the contractor and CoR further defining the work.

collection to fully populate the indicators.

2. **Decentralisation: a brief introduction**

A complex concept, underlining a visible phenomenon

Decentralisation is broadly understood as a process whereby political and institutional actors at sub-national levels acquire varying degrees of autonomy vis a vis central state structures. As such, it implies a rearrangement of relationships between the national and sub-national levels in terms of rights and responsibilities, empowering the local and regional actors. For instance, the United Nations Development Programme (UNDP) describes the decentralisation as:

> *'the restructuring of authority so that there is a system of co-responsibility between institutions of governance at the central, regional and local levels according to the principle of subsidiarity. Based on such principle, functions (or tasks) are transferred to the lowest institutional or social level that is capable (or potentially capable) of completing them.'*[4]

The Organisation for Economic Cooperation and Development (OECD) provides a similar definition while underlining the important element of elections as the basis of authority at sub-national level:

> *'measures that transfer a range of powers, responsibilities and resources from central government to subnational governments, defined as legal entities elected by universal suffrage and having some degree of autonomy'*[5]

'Devolution', 'delegation' and 'deconcentration' are widely used terms in relation to decentralisation, sometimes to describe the levels of decentralisation. *Deconcentration* does not involve a transfer of power from the central to lower tiers of government and merely refers to the 'branching out' of the central administration into regions or local levels with offices directly linked to itself. Hence it is considered the weakest form of decentralisation[6] or is not considered as decentralisation at all[7]. *Delegation* refers to the transfer of some responsibility of decision making and administrative capacity to semi-autonomous entities

---

[4] UNDP, (2004), Decentralised Governance for Development: A Combined Practice Note on Decentralisation, Local Governance and Urban/Rural Development.

[5] OECD, (2019), *Making Decentralisation Work: A Handbook for Policy-Makers*, OECD Multi-level Governance Studies, OECD Publishing, Paris, https://dx.doi.org/10.1787/g2g9faa7-en.

[6] Administrative Decentralization (worldbank.org).

[7] DRI-BP-87-English.pdf (democracy-reporting.org)

which are ultimately accountable to the central authority[8]. As a more extensive form of decentralisation, *devolution* happens when decision-making powers and administrative capacity to implement policies are largely transferred to local governments, which are also equipped to raise financial revenues to finance at least some of their functions[9]. It implies a more horizontal relationship between the central and lower tiers.

Decentralisation has been analysed from many different angles with different conceptualisations, but the typologies most frequently seen in the research for this project focus on three main dimensions: *political, administrative and fiscal decentralisation*.

The figure below, adapted from the OECD, provides an overview of these different dimensions with associated criteria.

Figure 1 Decentralisation and its main dimensions, according to the OECD[10]

Political decentralisation	Elected authorities Decision making and enforcement powers Citizen participation Accountability and transparency
Administrative decentralisation	Responsabilities (shared and exclusive) Functions (regulating, operating, financing and reporting) Own staff Own assets
Fiscal decentralisation	Own budget and accounting Expenditure (spending power) Revenue (sufficient and adequate) Fiscal rules

According to the OECD, state structures around the world, including Europe, have witnessed an on-going process of decentralisation starting from the second half of the 19th century. The pace and depth of this process varies across countries, and their starting points varied as well. The trend has not always been linear, but overall, a general tendency towards more decentralised structures can be observed (see Figure 2)[11].

---

[8] Administrative Decentralization (worldbank.org)
[9] Administrative Decentralization (worldbank.org)
[10] OECD, (2019), Making Decentralisation Work: A Handbook for Policy-Makers, https://dx.doi.org/10.1787/g2g9faa7-en.
[11] OECD, (2019), Making Decentralisation Work: A Handbook for Policy-Makers.

Figure 2 Average of Regional Authority Index Score for 29 American, 11 Asian and 41 European countries[12]
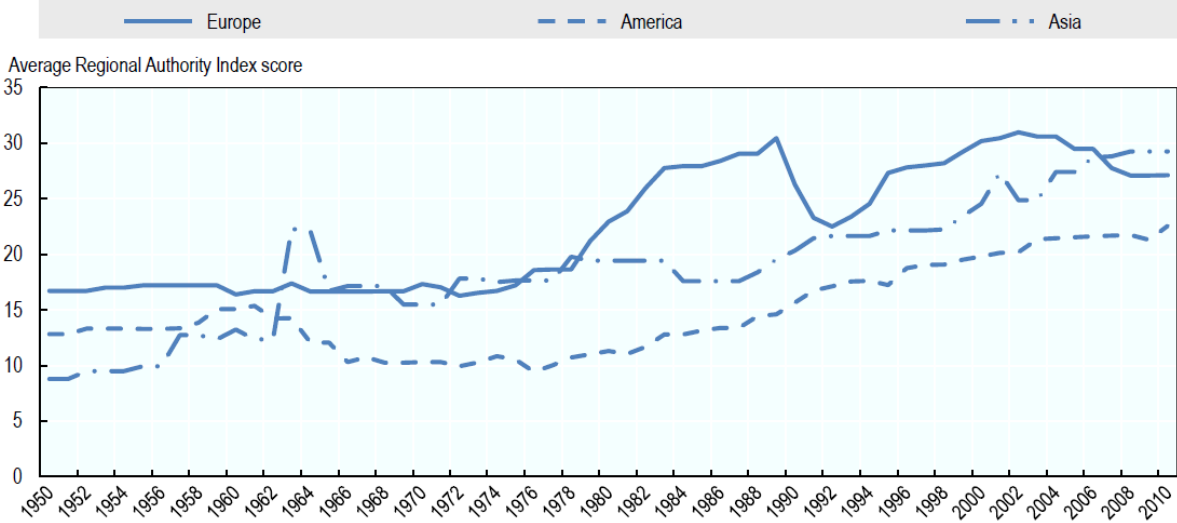
One underlining assumption closely linked to decentralisation is that by being closer to the citizens and other stakeholders, the design, implementation and monitoring of policies will be improved, leading to better results. This resonates, and goes hand in hand with the concept of governance which is defined by the United Nations (UN) as the following:

> *'Governance refers to the exercise of political and administrative authority at all levels to manage a country's affairs. It comprises the mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.'[13]*

However, decentralisation takes different forms in different contexts, as there is not one single approach to the process. It is inevitably shaped by the state structures, political culture and history in which it will take place. Thus, decentralisation and the form it takes will vary across the countries. In addition, decentralisation across the three dimensions discussed above will not happen symmetrically. Interactions between these different dimensions are also important: for instance, fiscal decentralisation cannot be considered in isolation from political and administrative decentralisation.

---

[12] Source as cited in OECD Report: Schakel, A. et al. (2018[6]), Final Report on Updating the Regional Authority Index (RAI) for Forty-Five Countries (2010-2016).

[13] Committee of Experts on Public Administration, Definition of basic concepts and terminologies in governance and public administration (E/C.16/2006/4) (New York, 2006)

These observations underline a complex phenomenon for which politicians, bureaucrats, scholars and civil actors have not been able to provide a common definition or understanding. Decentralisation is a multi-faceted concept which acquires different meanings depending on the context. It has inter-related dimensions which are not understood or interpreted in the same way across scholars, disciplines and institutions. This complexity makes its measurement challenging. Therefore, all attempts to measure decentralisation will have their limitations, as each starts from a subjective point of view relying on definitions, concepts and methods determined by the researchers, and these starting points will impact the results.

The European Charter for Self-Government

The European Charter of Self-government, concluded in 1985 by the Council of Europe, requires the signatory parties to uphold and guarantee basic principles regarding administrative, fiscal and political independence of local authorities[14]. The Charter states that local authorities are to be elected by universal suffrage. The Charter has been ratified by 47 countries, include all EU Member States. As such, it provides an important reference point for conceptualisation of different dimensions of decentralisation and was previously used by important studies in this area[15].

Box 1 Basic elements of the Charter

The Charter incorporates three dimensions of decentralisation namely political, administrative and financial. In its core, it sets out the fundamental principle of subsidiarity and aims to give appropriate and proportionate competence to the local authorities so they can manage their affairs with a protected legal basis and sufficient resources which they oversee independently from the central government. The parties to the Charter commit themselves to be bound by at least 20 paragraphs of the first part of the Charter, 10 of which should be selected from the 'hard core' list, which is also designated by the document. Among these hard-core elements are: a legal foundation for self-government so that the principle is protected by law (including the constitution) and not subject to political influences, free election of local assemblies, exclusivity of the powers given to the local authorities and the protection of local boundaries.

---

[14] Council of Europe, Details of Treaty No.122: European Charter of Local Self-Government, available at: https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/122#:~:text=The%20Charter%20commits%20the%20Parties,where%20practicable%2C%20in%20the%20constitution.

[15] See for instance the Local Authonomy Index (LAI) which bases several of its indicators on different articles of the European Charter for Self-Government.

The EU context

The implications of decentralisation are especially important in the EU as a supranational entity with complex structures for policy making, implementation and monitoring which span all levels of government. Indeed, local and regional authorities (LRAs) are playing an increasingly important role across all policy fields and their actions can play a key role in supporting the long-term strategic objectives of the EU, such as the European Green Deal and climate neutrality. As an example, one study has estimated that around 60 % of all decisions taken at sub-national levels are driven by EU level legislation, and LRAs are responsible for around 70 % of public sector investments across the EU[16]. Last year's developments in the context of the COVID-19 pandemic underline the key role and importance of sub-national authorities as they faced the imminent impacts of the health crisis and were at the frontline of designing and implementing emergency responses[17]. In the aftermath of the pandemic, recovery from its economic impacts while boosting green transition, will necessitate a tremendous collective effort, making sub-national governments key to its success. While this study does not delve into the links between the pandemic and decentralisation, its outputs are intended to help track future developments in decentralisation.

This underlines an increasing need to successfully integrate the principle of subsidiarity with the progressive and strategic leadership role that the EU institutions play. It is therefore critically important to understand to what extent structures and processes of decentralisation support sub-national actors in delivering what is expected from them.

---

[16] CEMR, (2016), Local and Regional Governments in Europe Structures and Competences.
[17] Committee of the Regions, (2020), EU Local and regional barometer: counting the cost of the COVID pandemic on EU regions, cities and villages.

3. Methodology and study steps

3.1 Overview of the study steps

The study followed the following steps: first, a literature review was carried out to identify the most relevant previous studies and concepts related to decentralisation. The second step involved two parallel processes: a close examination of the indices identified during the literature review and other data sources as well as the European Charter of Self-Government to identify aspects which might be used for the development of the indicators. As a parallel process, scanning of the information on the DoP in order to identify common themes and types of information that can be used to populate the indicators and to create new indicators which will help with better structuring of the qualitative information. In the third step, a final list of indicators has been developed either by using the existing indicators or slightly adapting them to the contents of the DoP. The fourth step consists of populating the indicators by using a structured Excel file. The fifth and final step is then to transfer the indicator to a visualisation platform so they can be compared across the countries using a map tool.

The following section provides an overview of these steps and discusses the main challenges/observations for each of them.

Figure 3 Overview of the steps followed in the study
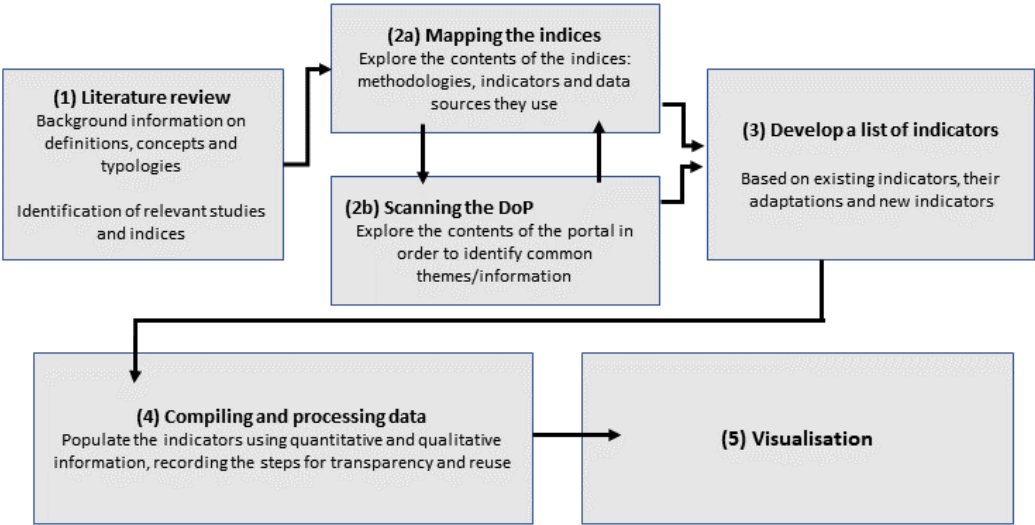
3.1.1 *Step 1: Literature review to identify relevant methods and indices*

The first activity was to carry out a brief literature review that had two, linked aims: first, to gain an understanding about the concepts, definitions and typologies of decentralisation; and second, to identify relevant studies, indices (indicators they use) and relevant data sources. This mapping identified the most important and relevant sources for this study, in particular sources that had already developed indices of decentralisation: these were then analysed in the next step.

The European Charter for Local Self-Government was also included in the review as a possible reference point for concepts and indicators of decentralisation. The articles and paragraphs of the Charter were listed and matched to indicators from other studies that make explicit reference to its contents. Some of these elements were incorporated into the indicators.

3.1.2 *Step 2: Mapping the indices and scanning the DoP*

2.a: Compiling and analysing existing information and indicators

In this step, one area of work provided a list of possible sources of data and previous studies that developed decentralisation indicators. Among those, the most relevant ones were selected for a closer examination of their contents. All of the sources identified either present decentralisation indices or are academic articles that contain already developed indicators. One exception is the OECD Handbook[18], which contains a checklist for policy makers as guidance on decentralisation in its different dimensions: this was included because some of the elements in the checklist provide an important element for reflection on the development of indicators based on the DoP.

An Excel file was created to systematically analyse the contents of these short-listed sources. This file includes 186 individual entries: they are mostly indicators included in the indices or themes/concepts mentioned in the previous studies (including the OECD Handbook). For each entry, an overview of the relevant content is recorded: themes, the corresponding indicator, the scoring method, whether the indicator roughly corresponds to political, administrative and fiscal dimension and the links to the source data.

The study focused on adapting the most relevant and widely used indicators and using some of their elements to create a new set of indicators that could then be populated with data on the DoP.

---

[18] OECD, Making Decentralisation Work: A Handbook for Policy Makers.

The table below provides an overview of the main sources consulted and the number of indicators scrutinised from each source.

Table 1 Decentralisation indices identified during literature review and their basic features

Name	Year Coverage	Country Coverage	Scoring system	Number of indicators included in the list
Local Autonomy Index (LAI)	1990-2014	39	37 point-scale, expert scoring	14 (of which 3 are composite)
Regional Authority Index (RAI)	1950-2016	81	27-point scale, expert scoring	20 (2 of which are composite)
AER Study	2009	29	Percentages based on 23 indicators, based on expert scoring and survey distributed to LRAs	The questionnaire includes more than 100 questions – 67 of these were selected as relevant
Treismann, D, Defining and Measuring Decentralization (2002)	NA	154	The study uses data from various datasets	6
Fernando Do Vale (2015)	NA	NA	The study uses data from various datasets and qualitative information	5
Ivanyna and Shah (2014)	NA	182	The study uses data from various datasets	5
Martinez-Vazquez, J. & Timofeev, A. 2010, Decentralization measures revisited	NA	NA	The study uses data from various datasets	5
OECD, Making Decentralisation Work: A Handbook for Policy Makers	NA	NA	NA	60 (this publication includes guidelines focusing on different dimensions e.g. capacity building at sub-national level, coordination mechanisms). 60 of these were selected as relevant and included in the list

2.b: Working with the information on the Division of Powers portal

As a parallel and iterative process to the analysis of the previous studies and indices, the information on the DoP was scanned, as this provided the main source of data for the political and administrative indicators. The aim was to make use of this information by developing indicators that correspond to this content while remaining within the general framework of the previous studies and using similar themes and concepts.

All the country documents from 27 Member States were merged into a single document to facilitate the analysis. The following sections were used in the analysis: main introduction section, fiscal powers, systems of multilevel governance, subsidiarity and relations with the EU. The sections on individual policy areas were also used but only for the administrative indicators.

A simplified content analysis method was used: the research team read all the documents several times to familiarise themselves with the content. They then identified common themes and structures across the countries. This provided an overview of the type of information each section contains and whether they are consistent enough to populate an indicator. This process included a back and forth with the indicators identified from other studies in order to identify the best match between the indicators and the information available on the portal. For instance, whenever a theme became emergent from the text provided in the DoP, the team scanned the Excel list to see if there was, among these indicators, one or more that corresponded to the theme.

3.1.3 *Step 3: Final set of indicators*

The iterative process described above achieved two things: first, recurrent similar themes across the indices were identified. Second, the back and forth between the overview of the studies and the information from the DoP helped finetune the selection as it identified linkages and common themes between the two. The iterative process resulted in a short list of indicators to be used in the index: these indicators were then slightly adapted to the contents of the DoP so that they could be at least partially populated with the available information.

Furthermore, additional indicators (not reflected in existing studies) were created in order to better structure some of the information available on the DoP. During the close examination of the contents of the DoP, it became clear the 'Subsidiarity' and 'Representation at EU level' sections include information which can be structured around specific themes although they are not the direct focus of existing studies and indices.

In addition, a selection of overview indicators was developed to provide basic structural information on each Member State. These do not have bearing on the level of decentralisation but help the user to understand basic governance structure of each country and to contextualise the indicators.

The table below provides an overview of the indicators. A more detailed version is provided as a separate document.

Table 2 Final list of indicators developed for the study

Dimension	Indicator	Source
Overview-general structure	State structure	Simply to indicate whether the country is federal or unitary. Information comes from OECD sources, DoP and the CEMR Report.
	Levels of governance (excluding central government)	Background information on the MS Source: Eurostat/DoP
	Number of Local Units	Background information on the MS Source: Eurostat, triangulated with DoP and CEMR Report
	Average population size by LAU	Background information on the MS Source: Eurostat
	Existence of any major changes to state governance structures	DoP (For internal use - for future updates, this information can be useful as a starting point for further research)
Political	Legal basis for principle of self-government	Adapted from existing indicators, populated with information from the DoP
	Representation of sub-national levels at national level	Adapted from existing indicators, populated with information from the DoP
	Ability to influence higher level governments' legislation and policymaking	Adapted from existing indicators, populated with information from the DoP
	Sub-national levels establish and sustain direct relations with EU institutions	Adapted from existing indicators, populated with information from the DoP
	Subsidiarity: To what extent is the local and regional dimension taken into account during subsidiarity scrutiny?	Created based on available information on the DoP
Administrative	Administrative subnational competences	Created based on available information on the DoP
	Administrative residual competences	Based on LAI indicator, 'institutional depth', populated with information from DoP
	Share of subnational employment out of total governmental employment	Adapted from existing indicators, populated with information from the DoP
	Administrative Supervision from central level	Adapted from existing indicators, populated with information from the DoP

Dimension	Indicator	Source
Fiscal	Expenditure ratio (ER)	Martinez-Vazquez & Timofeev (2010)[19], Source: Eurostat
	Revenue ratio (RR)	Definition based on Martinez-Vazquez & Tomofeev (2010), Source: Eurostat
	Revenue autonomy (RA)	Definition based on Martinez-Vazquez & Timofeev (2010), Source: Eurostat

3.1.4 *Step 4: Compiling data in an Excel file and scoring*

Step four involved somewhat different approaches for each dimension and the general overview indicators.

Developing each indicator

For the indicators on the general structure, the data was downloaded from Eurostat and triangulated with the information on the DoP. Any inconsistencies were flagged.

For the political and administrative indicators, step four consisted of **two sub-steps.** In the **first sub-step,** data was compiled from different sources (mainly the DoP but also, as described below, a European Commission study[20] for one of the administrative indicators) in an Excel file. The text from the DoP containing information to populate each indicator was identified and copied to the Excel document, using a different sheet for each indicator.

In the **second sub-step,** political and administrative indicators based on qualitative information from the DoP were scored using criteria adapted from existing indicators or developed (where otherwise not available) based on the information available on the portal. This step was necessary to convert qualitative information into a score that is comparable across the Member States. Scoring scales were harmonised across the indicators to facilitate the aggregation of different indicators into one composite index at the later stage. Where relevant, aspects were scored for local and regional levels separately.

---

[19] Martinez-Vazquez, J. & Timofeev, A., (2010), Decentralization measures revisited, International Studies Program, Working Paper 09-13 (updated), Andrew Young School of Policy Studies.
[20] European Commission, (2018), A comparative overview of public administration characteristics and performance in EU28, https://op.europa.eu/en/publication-detail/-/publication/3e89d981-48fc-11e8-be1d-01aa75ed71a1/language-en.

One of the administrative indicators, on the share of subnational employment, was obtained using data from a 2018 European Commission study[21]. It represents the percentage of subnational employment out of total governmental employment. These percentages had to be converted to scores to be compatible with the other indicators. For this, the simple mathematical quartile method was used. The quartile method measures the spread of the distribution of scores above and below the mean by dividing the scores into four groups. This method was chosen as it mathematically determines high/medium/low levels of subnational employment based on the comparison of scores across Member States. Once the quartile values were calculated, all percentages that were below the lower quartile (representing the lowest 25 % of scores) were given 0 points; the percentages falling between the lower quartile and the median were assigned 1 point; the percentages between the median and the upper quartile were given 2 points; and all percentages above the upper quartile (representing the highest 25 % of values) were assigned 3 points. It should be noted that this method means that scoring for each Member State could change in future updates if the average across Member States changes. The colour scales used in the map visual for this indicator would therefore also need to be adapted accordingly.

For all other indicators under the political and administrative dimension, where the information from the DoP was not clear enough to assign a score, leaving the indicator blank was preferred. This is indicated by 'unknown' in the Excel sheet. Where the Member State does not have a government at regional level, or the regional level is mainly an administrative entity (this is the case for Bulgaria, Cyprus, Estonia, Lithuania, Luxembourg, Latvia, Malta and Slovenia) the indicators for regional level are indicated with 'n.a.'. For further details, please see section 4.1.2 below on each dimension.

The study paid special attention to create a scoring framework which relies mainly on factual aspects which could be captured with questions to which one could provide mutually exclusive answers (for instance, does the constitution provide details on how the competences are distributed or not?). However, it is not always possible to identify the answer with certainty from the information available on the portal. For instance, the text does not always provide the same level of detail or specificity regarding the same aspect across Member States. Sometimes vague or subjective terms are used. In a fictitious example, the text might contain the following statement without providing more detail '*the local government has* _*considerable*_ *power on the matters that fall under its area of competence*.' The term 'considerable' is a not defined term (in this fictitious example) and thus does not provide adequate level of information for scoring the competence level. In

---

[21] European Commission, (2018), A comparative overview of public administration characteristics and performance in EU28, https://op.europa.eu/en/publication-detail/-/publication/3e89d981-48fc-11e8-be1d-01aa75ed71a1/language-en.

the future, the level of subjectivity can be further reduced by providing better structured information for the future updates of the portal. More detailed suggestions are provided in section 4.3.

For both dimensions, qualitative data refers to structures within the Member State which tend to be fairly stable over time. Analysis of the previous indices also shows that even though some of them have a temporal dimension, in the vast majority of the cases, the values for the indicators remain the same over time. The information currently available on the DoP does not provide any insight into the changes over time[22]. Consequently, the data gathered for the political and administrative indicators and the visualisation tool do not provide a temporal dimension.

For fiscal indicators, there were two sub-steps. **First,** the data was downloaded from the Eurostat database, organised and prepared for calculations that followed the formula identified in the literature review. This provided the results as percentages. The indicators were calculated as an aggregate of local and regional levels where the latter distinction is available (four Member States only – Austria, Belgium, Germany, Spain). The indicators for other countries only refer to the local level as this is the only sub-national level for which statistical data is reported. All the detailed datasets and calculations are provided with the Excel file. **For the second step**, the percentages had to be converted into scores using the same scale as the other indicators, in order to create an aggregate score for each Member State. For each Member State the average indicators over the 2000-2020 period were taken and given a score based on the percentiles of the distribution of the indicator value across the countries[23] (the same method described above). This resulted in the grouping of Member States in four categories – from those in the bottom 25th percentile to those in the top 25th percentile. For further details, please see the section 4.1.2 below.

Creating an aggregate score for each country

The last sub-step involves creating a composite index by aggregating the scores from all the indicators for regional and local level. For this, a simple methodology is followed by assigning an equal weight to all indicators. First an average score of each indicator in the political, administrative and fiscal dimensions is

---

[22] One exception is the text in the general section which provides details regarding any changes to the legislation/constitution. This was used to create one of the general overview indicators. It simply indicates whether there was a major change since 2010 to the governance structures in the MS. It aims to provide a 'flag' for a possible impact on the decentralisation level of the country so that it is taken into consideration by the researchers working on the future updates of the portal.

[23] Following the 'Categorical scales' approach for normalisation suggested by the JRC: 10 step guide, Step 5: Normalisation.

calculated. Second, the average of the three scores is calculated, providing the overall score. As the fiscal data from Eurostat does not differentiate between different tiers of government for most Member States, the same scores were used for both levels[24].

When calculating averages, both 'unknown' and 'n.a.' were excluded from the scores to avoid artificially lowering the scores for the Member State. Consequently, the overall score for regional decentralisation for these Member States is not available, and these Member States are also excluded from the ranking based on regional scores.

3.1.5 *Step 5: Data visualisation*

The final step was to visualise the data contained in the Excel document in a communicable and user-friendly way. The aim is to provide the CoR with an example of how the data can be visualised dynamically and allow for comparisons between countries.

The visualisation was developed as an interactive dashboard using the R statistical programming language, specifically R's Shiny Apps package. A tab was created for each decentralisation dimension (fiscal, political, administrative) along with an overview page which provides information on the general structure of each Member State and a composite score for each dimension. For the overall, political and administrative page, sub-tabs were created for local and regional levels. For the fiscal scores, the ratios cover both the local and regional levels.

The administrative and political indicators were scored from 0 to 3 and were visualised on maps using a 0.5 interval colour scale. The fiscal indicators represent percentages and were visualised on maps using a colour scale showing the quartile intervals (i.e., showing four gradations (scores below Q1; scores between Q1-Q2; scores between Q2-Q3; and scores above Q3).

The composite decentralisation score presents the 'overall decentralisation', calculated as the average of the overall scores for each dimension. Similarly, the overall scores for each dimension are also presented, calculated as the average of the scores for each indicator.

Please see the output sections for a snapshot of the interactive dashboard.

---

[24] An alternative method could be used in the future, by adding the scores from each indicator. However, for this method the information should be complete, with no 'unknowns' in the dataset. This is to avoid artificially lowering the scores of the MS for which the information is not available. This study could not employ this method due to several gaps in the currently available information, but could be used in the future when more complete data is available.

3.2 Quality control mechanisms

Transparency

While studies and policy papers on decentralisation provide broadly similar elements, the approaches to measuring it vary somewhat. In this situation (and also as a general principle), it is important for any study to provide transparent information about the methodology used and the steps taken during the study which led to the conclusions. One of the most common approaches used by the scholars is to publish the entire dataset(s) underlining the study to enable other researchers or interested parties to replicate the results. This includes the data sources, coding instructions (a code book) and the actual data as well as any other step taken to process the data. A similar method was followed for this study to ensure transparency. Please see section 3.3 for the background files and data provided along with this report.

Data quality and error checks

To ensure the reliability and validity of the indicators, the study took several precautions, as described below:

- Using clear coding instructions for the qualitative indicators to minimise the subjective element.
- For the scoring of the qualitative data, researchers checked each other's work and the scores, flagged inconsistencies (where they would provide a score other than the one given by the other researcher). These inconsistencies were discussed among the researchers. The final decision remained with the researcher who populated and scored the indicator in the first place as the person most familiar with the text. As a result of this procedure, a limited number of the scores were changed.
- A consistency and error check was applied for the formulas used in the development of the fiscal indicators.

3.3 Outputs and deliverables

Apart from this report, the deliverables will be the following:

- Data in Excel format and explanatory notes: this file includes the indicators created and populated for this study along with relevant information (source of information, scoring methodology and other notes on each of the indicators). This file provides the main scores that, in their version, can be uploaded to the DoP website. The file also includes in different tabs, detailed scoring which includes the text from the DoP used for scoring, for transparency purposes.
- A separate excel file with the fiscal indicators only, with raw data for each country (time series between 2000-2020) and calculations.
- The prototype of the interactive dashboard which would be developed at the Division of Powers portal:
  https://portal.cor.europa.eu/divisionpowers/Pages/default.aspx

The figure below is a snapshot of the interactive dashboard where one can select different dimensions of decentralisation and see indicators under each dimension (using the dropdown menu in the sidebar).

Figure 4 A Snapshot of the interactive dashboard

CoR Decentralisation Index   Overall decentralisation   Fiscal decentralisation   Administrative decentralisation   Political decentralisation

Tabs for each dimension of decentralisation

LOCAL LEVEL   REGIONAL LEVEL

Sub-tabs for each level of government

Administrative decentralisation ⓘ

The level of administrative decentralisation is measured through 3 indicators:

1 - The delegation of competences to the subnational authorities
2 - The availability of Human Resources
3 - The extent to which the subnational authorities are supervised by the central level

For each Member State a score from 0 to 3 has been attributed for each indicator at both local and regional level.

Select an indicator to display the related scores

Overall administraive decentralisation per country ▾

Drop down menu to select the different indicators and display map and information for each indicator

Scores at local level

Score (0-3)
0.0 – 0.5
0.5 – 1.0
1.0 – 1.5
1.5 – 2.0
2.0 – 2.5
2.5 – 3.0
NA

Overall administrative decentralisation in the country

FRANCE

Score	Rank
1.6	14 /27

Information in the sidebar is displayed on click of a MS

Breakdown by indicator

Autonomy

Availability of HR

Leaflet | © OpenStreetMap contributors © CARTO

20

4. Discussion on the findings and indicators

4.1 Discussion on the current study

4.1.1 *General observations*

The review of the existing indicators and previous studies led to the following observations:

The most important and perhaps not surprising outcome of the literature review is that the concepts and measurements of decentralisation vary. These differences are important since the conclusion of different studies (for instance how decentralised a country is) can reflect which aspects of decentralisation is considered more or less important by the researchers, and what aspects they chose that take into account in their measurements. Consequently, the literature review has shown that there is not a single, best approach. As described in section 3, we have taken an approach that draws on the key existing studies and reports and uses information available on the DoP (or that can be provided in its future updates).

Another important observation, related to the first one is that, with the exception of the fiscal dimension, the indicators which aim at measuring decentralisation rely on researchers and experts gathering qualitative information and then scoring it. More and more studies provide transparent information regarding how their scoring is made: this approach is followed here, and scoring methods are provided in the following section.

The differences between the Member States when it comes to definition of government levels should be taken into account when creating the indicators. This is particularly important where countries with more than one level of sub-national government level are being compared against different criteria for the index. Furthermore, what constitutes a local or regional tier is not always comparable across the countries with different institutional structures. We have used the information in the DoP and made a simple differentiation, as described in the next section.

4.1.2 *Overview of indicators*

This section provides an overview of the indicators included in the index under three main categories, namely political, administrative and fiscal decentralisation. The overview indicators (e.g. on state structure, number of tiers, number of local area units) are not discussed in this section since they are merely descriptive and are not intended to be part of the decentralisation index.

For each dimension, a brief overview of the concept is provided along with the main attributes and common themes identified through literature review and the analysis of existing indices. This is followed by a description of the approach used to develop the selected indicators (scoring in the case of qualitative and scoring and calculations in the case of quantitative indicators) and a brief discussion on the possible improvements in the future.

By definition, decentralisation indices focus on the processes and institutions at different government levels. This implies that every time an aspect of the decentralisation is scrutinised, it should be made clear which government level the assessment is focusing on. This creates a challenge for comparison since government levels and how they are defined vary across the Member States. Furthermore, the simple categories of 'regional' and 'local' government are not clear for Member States where there are two or more sub-national government levels.

The indicators developed for this study use two-level scoring whenever it is relevant. The lowest level refers to the municipalities, a relatively easy concept to compare across the Member States. The regional level might combine two or more levels of government if the same procedures apply to different levels. For other cases, these are flagged and included in the metadata file for each indicator.

Indicators on political decentralisation

In the broadest sense, political decentralisation refers to the **ability of the sub-national governments to set their own political agenda, make policy decisions and enforce them**, especially in the policy fields which have direct implications for the local population. It has inherent links to **the subsidiarity principle and the democratic elections of the local policy makers**. According to the OECD, the political decentralisation is about the '*institutional and political aspects of decentralisation*' and is considered as an important element for ensuring democratic checks and balances vis-à-vis the central governments. Its main aspects involve '*elected local/regional authorities, decision-making and enforcement powers, citizen participation as well transparency and accountability*[25]'.

Previous studies and indices refer to different aspects of political decentralisation. Some employ a more restricted scope focusing mainly on the democratically elected local authorities which perform legislative and executive functions and free and open local elections[26]. Others take a more legalistic approach, as suggested by Ladner and Keuffer[27], and refer to the legal foundations of the power distribution between the different government levels and protection of the local units from the encroachment of the central government. Other elements are taken into consideration by different studies, enlarging the scope to the representation of the sub-national governments at national level decision making[28] and the activity of civil society at local level[29].

As such, political decentralisation has strong links to the fundamental principles of the European Charter of Local-Self Government[30], especially:

- **Article 2** on the legal/constitutional foundations of the local government,
- **Article 3, para. 2** on the free and democratic elections of the local representatives based on universal suffrage,
- **Article 4** on the legal prescription of the rights and duties of the local governments vis-à-vis the central government and their participation to the decision-making process at national level,

---

[25] OECD, (2019), *Making Decentralisation Work: A Handbook for Policy-Makers*, OECD Multi-level Governance Studies, OECD Publishing, Paris, https://dx.doi.org/10.1787/g2g9faa7-en.

[26] Ivanyna, Maksym; Shah, Anwar, (2014): How close is your government to its people? Worldwide indicators on localization and decentralization, Economics: The Open-

Access, Open-Assessment E-Journal, ISSN 1864-6042, Kiel Institute for the World Economy

(IfW), Kiel, Vol. 8, Iss. 2014-3, pp. 1-61.

[27] Ladner, A., & Keuffer, N. (2017). Creating a comparative index of local autonomy.

[28] AER, (2009), From Subsidiarity to Success: The Impact of Decentralisation on Economic Growth.

[29] OECD, (2019), *Making Decentralisation Work: A Handbook for Policy-Makers*, OECD Multi-level Governance Studies, OECD Publishing, Paris, https://dx.doi.org/10.1787/g2g9faa7-en.

[30] Council of Europe, European Charter of Local Self-Government, ETS No.122.

- **Article 5** on the protection of local boundaries,
- **Article 11** on the legal protection of the local governments and their right to recourse to judicial means against the violation of their rights.

Scoring of the political indicators

Based on the main themes and aspects identified in the previous studies and the European Charter of Local Self-Government, as well as the themes emerging from the DoP, five indicators were developed. All of the indicators have a qualitative aspect and were populated using the information from the DoP, mainly the introduction sections where basic information is provided on different government levels and their legal foundations, systems of multi-level governance, relations at the EU level and the subsidiarity sections.

As briefly mentioned in the methodology section, a scoring method was used to convert the qualitative information into a comparable score – using an approach adapted from the other studies. The table provides the rationale behind the scoring for each indicator.

Table 3 Indicators and scoring used for political decentralisation

Indicator	Understanding	Scoring
IND_ 1 Legal basis for principle of self-government	Legal prescription of the local autonomy is an important element which functions as a safeguard against *'the centralising tendencies of the central government'*[31]. It has a direct link to the European Charter of Self Government (article 2- Article 2 – Constitutional and legal foundation for local self-government) and is also mentioned as a factor in the OECD's Guidelines on Decentralisation (2019). It is therefore expected that a constitutional recognition provides a stronger protection and clearly assigned roles and responsibilities increase the level of political decentralisation. This applies to all sub-national levels without distinction, therefore only scored once.	Scoring scale used is 0-3. The scoring makes a distinction between different approaches where the principle of local autonomy is prescribed by the constitution or not, whether it specifies the competences or only recognises the principle without further detail. 3 points are attributed when there is a detailed constitutional prescription, meaning that the constitution goes beyond simply recognising the principle of self-government and sets out competences, scope or other relevant aspects more clearly. 2 points are attributed when the constitution recognises the principle but does not provide details on how to apply 1 point is attributed when the principle of local autonomy is not enshrined in the constitution established by law/statues 0 points are attributed if none of the above applies.
IND_2 Representation of sub-national levels at national level	Representation of sub-national tiers at national level is an important aspect of political power and the relationships between the different tiers. The rationale behind the scoring is that a more formal and direct representation of the sub-national levels ensure that their needs and perspectives are better taken into account when designing, implementing and monitoring policies. The score goes lower as the level of formality decreases. The indicator is scored twice, once for local and once for regional level. For most of the cases, the information on the DoP differentiates between the tiers but when it is not clear, this is flagged.	Scoring scale is 0-3. 3 points are attributed if the sub-national levels are represented at national parliament or one of the chambers. This is mainly the case for the federal states. 2 points are attributed if the interests and position of the sub-national levels are formally represented by an organisation which has full coverage of all of the entities and is recognised by the law 1 point is attributed when one or more organisation represents the position and the interest of the sub-national entities but this is not formally recognised or the organisation does not have full coverage of all the entities 0 points are attributed when none of the above applies.

---

[31] Bullmer E., (2017), International Institute for Democracy and Electoral Assistance (IDEA)- Constitution Building Primer 13.

Indicator	Understanding	Scoring
IND_3 Ability to influence higher level governments' legislation and policymaking	This indicator is directly linked to European Charter of Self Government (Art. 4 para 6), and it has used several indices under different names/variations which include elements regarding the consultation of regional/local government in national legislation and the scope of influence that sub-national actors have on the legislative process at national level. A higher score is attributed when there are systems in place which ensure that sub-national governments are always consulted about the draft legislation before the drafts are finalised and given an opportunity to voice any feedback/concerns. A lower score is attributed when the consultation becomes ad-hoc or unsystematic. This is scored twice, once for local and once for regional level. For most of the cases, the information on the DoP differentiates between the tiers but when it is not clear, this is flagged.	Scoring scale is 0-3. 1 point was attributed for each of the following criteria: (a) a mechanism/formal system for transferring info to LRAs to trigger the process, beyond publication on the website (b) some form of consultation even if not prescribed by the law (c) additional point if the influence is direct (seats in the parliament or legal obligation).
IND_4 Sub-national levels establish and sustain direct relations with EU institutions	This indicator is mentioned only by one other study[32], and can be interpreted as the ability of the sub-national levels to participate in the discussions and policy making at EU level through formal/informal means. The scoring considers that the more presence an entity has in Brussels through formal/informal ways, the more they will participate in the exchanges between the institutions and be able to influence the policy processes. This is scored twice, once for local and once for regional level. For most of the cases, the information on the DoP differentiates between the tiers but when it is not clear, this is flagged.	Scoring scale is 0-3. 1 point for each of the following criteria: (a) Membership to CoR (b) Permanent presentation through an office in Brussels (at least for some of local governments) (c) Representation through & participation in associations of regional/local authorities

---

[32] AER study has one question in the questionnaire targeting the regional/local authorities, asking them whether they have an office in Brussels.

Indicator	Understanding	Scoring
IND_5 Subsidiarity: To what extent the local and regional dimension is taken into account during subsidiarity scrutiny?	The EU's Early Warning System gives the ability to the national governments of the Member States to check whether EU draft legislation conforms with the subsidiarity principle[33]. It is important to take into account the perspectives of the LRAs in this process and some MS established procedures for this. The DoP includes important information which can be standardised in the future versions using this newly created indicator. As in the other indicators, a formal well-defined procedure is scored higher. This is scored twice, once for local and once for regional level. For most of the cases, the information on the DoP differentiates between the tiers but when it is not clear, this is flagged.	Scoring scale is 0-3. 3 points are attributed when the subsidiarity scrutiny is well-defined and local/regional level is consulted systematically (this includes EWS and other well-defined procedures) 2 points are attributed when the subsidiarity scrutiny is well-defined (EWS) at national level but regional/local parliaments are consulted only informally/unsystematically 1 point is attributed when there is an established system for EWS but local and regional levels are not consulted or consulted in a limited extent 0 is attributed when none of the above applies

---

[33] Committee of the Regions, Early Warning System, available at: https://portal.cor.europa.eu/subsidiarity/regpex/Pages/Early-Warning-System.aspx#:~:text=The%20EWS%20is%20a%20procedure,the%20draft%20on%20this%20ground.&text=%22Orange%20card%22%3A%20applying%20only,under%20the%20ordinary%20legislative%20procedure.

Possible areas for future work

Indicators on political decentralisation cover many aspects of institutional and legal structures within the Member State. However, as in the other dimensions, it is not possible to talk about a consensus among studies and reports as to what really constitutes political decentralisation. This challenge might never be totally overcome, but future studies could provide an opportunity to build on existing indicators and incorporate increasingly important elements such as direct citizen participation and fundamental aspects of democracy such as accountability to provide a more holistic view of political decentralisation. This would help going beyond legal and institutional approaches and accommodate the complex interdependencies between the democratic processes at the EU, national and sub-national level.

For the current study and the future updates of the DoP, the main challenge is the inconsistency of the information available in the DoP to populate the indicators. For the scoring used for some of the indicators, the unclarity of the information was a limitation. For instance, in some cases, the information suggests there is a procedure in place for consulting the sub-national government during the legislative process, but it is not made clear whether this is defined by law. Such details are necessary to populate the indicators in a robust manner, especially when scales from $0 - 3$ are used where one point can make a big difference. The lack of clarity is amplified when the country in question is a federal or quasi-federal state or has complicated structures. The future updates of the platform should take into account these additional complexities and provide clear instructions to the national experts. More detailed recommendations by indicator are provided in section 4.3.

Indicators on administrative decentralisation

According to the OECD (2019), administrative decentralisation "*involves a reorganisation and **clear assignment of tasks and functions** between territorial levels in order to improve the effectiveness, efficiency and transparency of national territorial administration. It generally relates to the **transfer of planning, financing and management decisions on some public functions to lower levels of government.**[34]*" Other studies refer to administrative decentralisation as the **level of autonomy** subnational entities possess relative to central control[35], notably by assessing the level of human resources allocated to the subnational levels along with the supervision exercised by the central level[36].

Existing analyses and indices define indicators for administrative decentralisation around three key aspects:

Table 4 Aspects of administrative decentralisation

Aspect	Example of sources
(1) The range of tasks and functions delegated to the subnational levels, including whether subnational levels are given residual competences (i.e., the possibility to take on new competences not assigned to other levels.)	Local Autonomy Index (2016) Regional Authority Index (2015) AER Decentralisation Index (2009)
(2) The resources allocated to the subnational levels in order to enable them to properly and autonomously carry out their tasks and functions. This can notably be assessed based on the share of employment at subnational level.	OECD (2019) Fernando Do Vale (2015) M. Ivanyna & A. Shah (2014) Daniel Treisman (2002)
(3) The autonomy of subnational levels in carrying out their tasks and functions, looking at the level of supervision/control exercised by the central level.	Local Autonomy Index (2016) A. Schneider (2003)

All of these aspects echo several key principles of self-governance defined in the European Charter of Local Self-Government[37], for example:

- **Article 3** on the concept of local self-governance sets out that subnational authorities should have the right to "*regulate and manage a substantial share of public affairs under their own responsibility*".
- **Article 6** sets out that "*appropriate administrative structures and resources for the tasks of local authorities*" should be provided.

---

[34] OECD, (2019), *Making Decentralisation Work: A Handbook for Policy-Makers*, OECD Multi-level Governance Studies, OECD Publishing, Paris, https://dx.doi.org/10.1787/g2g9faa7-en.

[35] Schneider A., (2003), Decentralization: Conceptualization and Measurement, Studies in Comparative International Development 38(3):32-56, DOI:10.1007/BF02686198.

[36] Do Vale, H., (2015), Comparing and Measuring Subnational Autonomy across Three Continents, Lex Localis – Journal of Local Self-Government, 13(3), pp.737-760.

Ivanyna, M. and Shah, A., (2014), How Close Is Your Government to Its People? Worldwide Indicators on Localization and Decentralization, Economics E-Journal 8(2014-3), DOI:10.5018/economics-ejournal.ja.2014-3

[37] Council of Europe, European Charter of Local Self-Government, ETS No.122.

- **Article 8** on the administrative supervision of local authorities' activities sets out that supervision should be kept to a strict minimum and "*aim only at ensuring compliance with the law and with constitutional principles*".

With the exception of indicators linked to the share of subnational employment, which are based on quantitative data, administrative decentralisation can only be assessed qualitatively by reviewing the constitution, statues and relevant laws of each country. The majority of the existing studies make use of expert scoring to assess each of the aspects described above.

Scoring of the administrative indicators

Building on the existing analyses and indices, four indicators were developed for assessing administrative decentralisation in this study. With the exception of the indicator on the share of subnational employment, all indicators were populated based on the information contained on the DoP portal – specifically the introduction page and policy field pages for each Member State.

The table below provides the details on the understanding and scoring used for each indicator.

Table 5 Indicators and scoring used for administrative decentralisation

Indicator	Understanding	Scoring
Subnational competences *Number and type of responsibilities delegated to subnational levels*	It can be expected that as decentralisation increases, so do the responsibilities of subnational authorities[38]. This indicator therefore looks at the range and type of tasks and functions delegated to the subnational levels, with particular focus on the delivery of essential services (e.g., health and education) and the discretion given to the subnational levels in designing and implementing such services.	A scoring scale of 0 to 3 was used, assessing each policy field separately for each level of government (local/regional): 3 points were attributed when the local/regional level can design and implement many measures in the policy field assessed, with no or very limited intervention from the higher level(s). 2 points were attributed when the local/regional level can implement and sometimes design measures in the policy field, within the limits of the overall policy set by the higher level(s) in the respective field. 1 point was attributed when the local/regional level mainly executes policies designed by the higher level(s) in the policy field and/or does not have core competences that are delegated to the respective level in the majority of other Member States. 0 points were attributed when no local/regional competences were identified in the policy field. The scores for each policy field were added together and then divided by 17 (the number of policy fields) in order to obtain an overall score on a 0-3 scale. All policy fields covered in the DoP portal were assessed: *transport; employment; social; education; vocational training; youth & sports; culture; public health; trans-European networks; spatial planning; environment; energy; agriculture; fisheries; immigration & asylum; tourism; civil protection.* The scoring is based on the text of the respective policy field pages for each Member State on the DoP portal.

---

[38] Do Vale, H., (2015), Comparing and Measuring Subnational Autonomy across Three Continents, Lex Localis – Journal of Local Self-Government, 13(3), pp.737-760.

Indicator	Understanding	Scoring
Residual competences *Extent to which subnational levels can take on new competences*	Another key indicator of decentralisation is the discretion given to subnational authorities in choosing the tasks and policy fields in which they take action. According to Article 4 of the European Charter of Local Self-Government, *local authorities should, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority*[39]. This indicator therefore assesses the level of discretion given to subnational authorities in choosing their tasks.	A scoring scale from 0 to 3 was used, assessing local and regional levels separately: 3 points were attributed when the local/regional level is free to take on any new tasks (residual competencies) not assigned to other levels of government. 2 points were attributed when the local/regional level is explicitly autonomous and can choose from a wide scope of predefined tasks. 1 point was attributed when the local/regional level can choose from a very narrow, predefined scope of tasks. 0 points were attributed when the local/regional level can only perform mandated tasks. The scoring is based on the text of the introduction page for each Member State on the DoP portal.
Share of subnational employment out of total governmental employment	The distribution of manpower across public administration can be used to measure the degree of administrative autonomy of subnational governments as: (1) The creation of technocrats on intermediate levels of government can lead to an increased leverage of subnational political elites. (2) High proportions of employment in the subnational administrations is indicative of the level of	This data is not available on the DoP portal. Data from a 2018 European Commission study was used[41]. The scoring was devised based on the first (Q1), second (Q2) and third (Q3) quartiles of the range of data for each level (i.e., regional and local). 3 points were attributed when the share of local government employment was above 53 % and above 42 % for regional government employment (i.e., above Q3). 2 points were attributed when the share of local government employment was between 24-53 % and between 19-42 % for regional government employment (i.e., between Q2 and Q3). 1 point was attributed when the share of local government employment was between 14-24 % and between 2-19 % for regional government employment (i.e., between Q1 and

---

[39] Council of Europe, European Charter of Local Self-Government, ETS No.122., Article 4.
[41] European Commission, (2018), A comparative overview of public administration characteristics and performance in EU28, https://op.europa.eu/en/publication-detail/-/publication/3e89d981-48fc-11e8-be1d-01aa75ed71a1/language-en.

Indicator	Understanding	Scoring
	responsibilities allocated to the subnational levels, given that the demand for services require more human resources[40].	Q2). 0 points were attributed when the share of local government employment was below 14 % and above 2 % for regional government employment (i.e., below Q1).
Supervision from central level *The extent to which subnational levels are supervised/constrained by the central level*	This indicator aims to provide an insight into the level of autonomy of the subnational levels. It is closely related to Article 8 of the European Charter of Local Self-Government, which sets out that supervision of subnational activities should be kept to a minimum and only with the aim of ensuring compliance with the law and with constitutional principles[42].	A scoring from 0 to 3 was used, assessing local and regional levels separately: 3 points were attributed when the central level does not supervise the activities of the local/regional level. All disputes between different levels of government are settled in courts. 2 points were attributed when the central level supervises the activities of the local/regional level only with the aim of ensuring compliance with the law and with constitutional principles. 1 point was attributed when the central level exercises more extensive supervision of the activities of the local/regional level – e.g., state delegates are present at subnational level for supervisory purposes, or the central government is given powers to intervene in subnational affairs. 0 points were attributed when the central level exercises quasi-total supervision of the local/regional level, reviewing the legality and merits of actions. The scoring is based on the text of the introduction page for each Member State on the DoP portal.

---

[40] Do Vale, H., (2015), Comparing and Measuring Subnational Autonomy across Three Continents, Lex Localis – Journal of Local Self-Government, 13(3), pp.737-760.
[42] Council of Europe, European Charter of Local Self-Government, ETS No.122., Article 8.

Possible areas for future work

The lack of standardised information on the DoP for all qualitative indicators is a key limitation. Specifically concerning administrative decentralisation, the portal's pages and thus the indicators rely on a review of various legal documents in each Member State, each of which may provide more or less detail; certain laws may even leave scope for interpretation by design. This is particularly true for the competence-related indicator where the differences in language and details provided from one Member State to another make it difficult to determine the relative scope and discretion given to subnational authorities for performing their tasks.

As for the political indicators, a key recommendation for future updates of the DoP portal would be to provide the national experts tasked with reviewing the situation in each Member State with specific and clear criteria which they should try to identify in the national constitutions, statues and laws. For the indicator on competences assigned to subnational level, experts could be asked to identify specific sub-competences with each policy field. For example, in the field of social care, the responsibility for the following services could be assessed: retirement homes, kindergartens, and services for disabled persons. This would ensure consistency in the information provided for each Member State.

Furthermore, information regarding the supervision of subnational authorities by the central level is not indicated on the DoP portal for several Member States (AT, EE, LT, LV, MT, PT and SE). For future updates, it would be useful to ensure this information is provided. Similarly, the future DoP portal could include data on the share of subnational employment along with information on the ability of subnational governments to hire and fire their own civil servants. More detailed recommendations by indicator are provided in section 4.3.

__Indicators on fiscal decentralisation__

As set out in the key principles of self-governance defined in the *European Charter of Local Self-Government* (Article 9)[43], subnational authorities should be able to manage their own resources needed for implementation of their tasks. Therefore, assessing the degree of fiscal decentralisation relies on analysing the delegation of taxing and spending responsibilities to the subnational governments, both from a quantitative point of view (e.g. the share of revenues or expenditures) and a qualitative point of view (e.g. the independence of deciding on spending priorities).

---

[43] Council of Europe, European Charter of Local Self-Government, ETS No.122.

Existing analyses and indices define indicators for fiscal decentralisation around several aspects:

Table 6 Fiscal decentralisation indicators in existing analyses and indices

Aspect	Example of indicators	Sources
The importance of subnational spending for the general government expenditures	Subnational expenditure as percentage of total expenditures	Do Vale (2015)[44]
	Expenditure autonomy	Ivanyna & Shah (2012)[45]
	Expenditure ratio	Martinez-Vazquez & Timofeev (2010)[46]
The importance of subnational revenue for general government revenues	Subnational revenues as percentage of total revenues	Do Vale (2015)
	Revenue ratio	Martinez-Vazquez & Timofeev (2010)
The ability of subnational governments to raise their own financial resources (e.g. through taxes, fees) or alternatively their dependence on grants/ transfers from the central government in the subnational revenues	Fiscal autonomy	RAI[47]
	Fiscal autonomy, Financial self-reliance	LAI[48]
	Financial flows between jurisdiction	AER[49]
	Vertical fiscal gap, Taxation autonomy	Ivanyna & Shah (2012)
	Revenue autonomy; Fiscal imbalance	Martinez-Vazquez & Timofeev (2010)
The independence of subnational governments in deciding how to spend their financial resources or alternatively the conditionality associated with grants/ transfers from the central government	Fiscal control	RAI
	Financial transfer system	LAI
	Financial flows: % of earmarked financial flows	AER
	Unconditional transfers	Ivanyna & Shah (2012)
The ability of subnational governments to borrow financial resources	Borrowing autonomy, Borrowing control	RAI
	Borrowing autonomy	LAI
	Fiscal autonomy	AER
	Borrowing freedom	Ivanyna & Shah (2012)

---

[44] Do Vale, H., (2015), Comparing and Measuring Subnational Autonomy across Three Continents, Lex Localis – Journal of Local Self-Government, 13(3), pp.737-760.

[45] Ivanyna, M. & Shah, A., (2012), How Close Is Your Government to Its People? Worldwide Indicators on Localization and Decentralization, World Bank, Policy Research Working Paper 6138.

[46] Martinez-Vazquez, J. & Timofeev, A., (2010), Decentralization measures revisited, International Studies Program, Working Paper 09-13 (updated), Andrew Young School of Policy Studies.

[47] Schakel, A. H. et al., (2018), Final Report on Updating the Regional Authority Index (RAI) for Forty-five Countries (2010-2016), Report for the European Commission.

[48] Ladner A., Keuffer N. & Baldersheim, H. (2015), Self-rule Index for Local Authorities (Release 1.0), Report for the European Commission.

[49] Assembly of European Regions, (2009), From Subsidiarity to Success: The Impact of Decentralisation on Economic Growth, Part 1: Creating a Decentralisation Index, A study commissioned by the Assembly of European Regions (AER).

Some of these aspects can be captured quantitatively based on statistical data (see below for details) and provide a fairly good indication about the degree of fiscal decentralisation. Nevertheless, issues such as the degree of independence of subnational governments in deciding how to spend their revenues or in borrowing financial resources would require more detailed information. Quantitative estimates in these cases can provide little information about the degree of decentralisation because the amount of expenditure on a certain policy area may not be related to whether subnational governments can independently decide key spending decisions on certain policy issues, or rather must rely on central governments for approval and direction.

Calculation of the fiscal indicators

The ratios developed by Martinez-Vazquez & Timofeev (2010) can be used to provide quantitative estimates about some aspects of fiscal decentralisation as follows:

Table 7 Fiscal indicators: brief overview and the formulas

Ratio	Description	Formula
Expenditure ratio (ER)	Assuming that revenue equals expenditure (i.e. excluding borrowing for simplicity), this would be the share of spending taking place at the subnational level (using all resources available, except borrowing) relative to total expenditure of the general government (using all resources available). A higher ratio would indicate a higher degree of decentralisation	ER=TLR/TR
Revenue ratio (RR)	The share of the local own revenues (e.g. from taxes and fees) compared to the total government revenues. A higher share or 'importance' of the locally raised revenues would indicate a higher degree of decentralisation	RR=LOR/TR
Revenue autonomy (RA)	The share of the local own revenues (e.g. from taxes and fees) compared to all local revenues, including grants/transfers from the central government. Higher reliance on locally raised revenue would indicate a higher degree of decentralisation. The opposite would be the share of the grants/transfers in the total subnational revenues sometimes referred to as 'fiscal imbalance'	RA=LOR/TLR

Where: TR = Total Revenue of the general government; TLR = Total Local Revenue (covers all tiers of subnational government); G = Grants (i.e. transfers from the central government to all tiers of subnational government); LOR=TLR-G or Local Own Revenue (excludes grants and covers other sources of revenue for the subnational government).

These ratios can be calculated using Eurostat data from its 'European System of Accounts' and particularly its 'Government revenue, expenditure and main aggregates'[50]. An alternative source can be the International Monetary Fund's (IMF) 'Government Finance Statistics'[51]. For the analysis in this study Eurostat was selected as a source for the statistical data[52]. It provides data for different levels of government, including 'general government' (understood as all tiers), 'state government' (understood as the regional level in the four federated Member States i.e. Austria, Belgium, Germany and Spain) and 'local government' (understood as the local level, in most cases municipal level). For each level of government, data is available on the total revenue as well as components of transfers that can be understood as 'grants' based on the Eurostat manual[53]. Using the data for total revenues and grants, the amount of 'own' revenues for the tiers of subnational governments is derived and fed into the estimation of the ratios. Each ratio is calculated as a percentage and per year for the period 2000-2020, which the Eurostat dataset covers. In order to be able to compare all indicators of decentralisation, the fiscal indicators were converted to one average ratio for the entire period of time (the ratios are relatively stable over time for all Member State) and to scores of 0-3 as explained in section 3.1.4. This is necessary in order to provide a simple aggregated score for the overall decentralisation. Detailed notes on how Eurostat data is used to calculate the fiscal indicators and the final scoring is provided in the accompanying deliverable (Excel file).

Possible areas for future work

The three ratios proposed by Martinez-Vazquez & Timofeev (2010) or similar estimations (such as those provided by the OECD[54]), and used in this project, can offer a good initial indication of the degree of decentralisation. Nevertheless, they rely exclusively on quantitative data. Such quantitative estimates should ideally be complemented with qualitative information about the independence of subnational authorities in taking decisions on fiscal matters. Particularly important is understanding to what extent decisions about how transfers from the central government come with conditions on how they should be spent, and also if locally raised revenues (e.g. from taxes and fees) must be spent for centrally determined actions.

---

[50] Eurostat Goverment Revenue, expenditure and main aggregates available at: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_10a_main&lang=en
[51] IMF, Government Finance Statistics, available at: https://data.imf.org/?sk=a0867067-d23c-4ebc-ad23-d3b015045405
[52] Data available on Eurostat and IMF appear to be based in the same national accounts although they provide different levels of detail. Nevertheless, for countries not included in the Eurostat datasets, IMF data can be used for future updates.
[53] Eurostat, (2013), European System of Accounts, ESA 2010, pp.424-431.
[54] OECD/UCLG, (2019), 2019 Report of the World Observatory on Subnational Government Finance and Investment – Key Findings.

The information currently available on the DoP portal is not sufficient to capture the independence of the subnational level on fiscal matters. This could be an area for future information gathering for the portal. Once such information is available, another fiscal indicator can be developed to complement the three derived from statistical data. More detailed recommendations by indicator are provided in section 4.3.

4.2 Findings: level of decentralisation in the EU based on the selected indicators

Figure 5 below shows the average score of all the indicators selected for the index. The overall level of decentralisation at regional and local level varies considerably in the Member States (please note that for this and other figures in this section, the scores for regional decentralisation appear blank for the Member States that do not have a regional tier) The Member States with the highest scores on both levels (i.e. higher levels of decentralisation) are the same with only some exceptions, including Sweden and Denmark with higher scores on local decentralisation and Austria and Italy which score lower at local level. The overall average for 27 Member States is similar for both levels (1.84 for regional and 1.69 for local). Germany has the highest score on both levels. Ireland, Malta and Cyprus have the lowest overall scores.
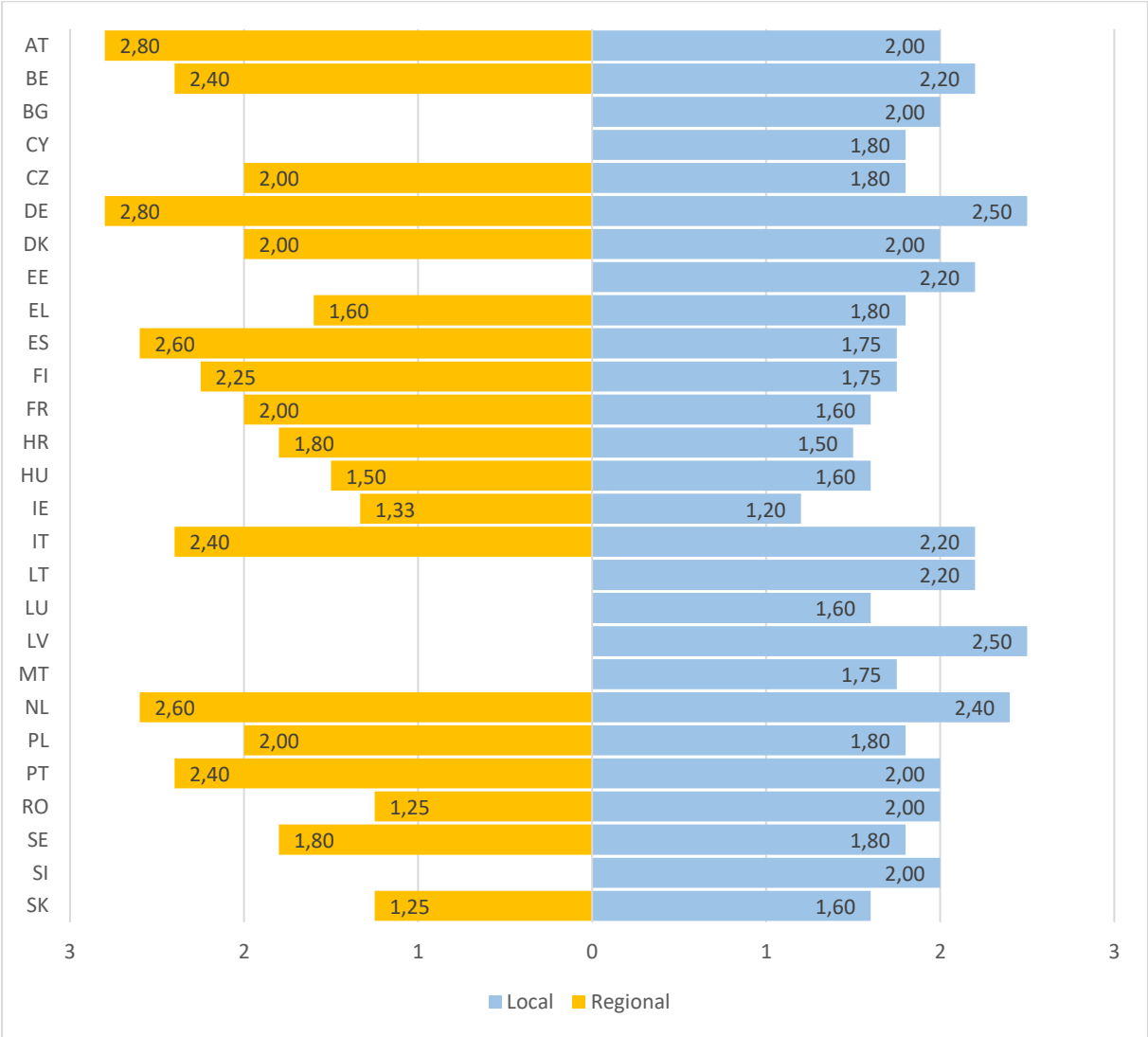
Figure 5 Average score for local and regional decentralisation, based on 12 indicators
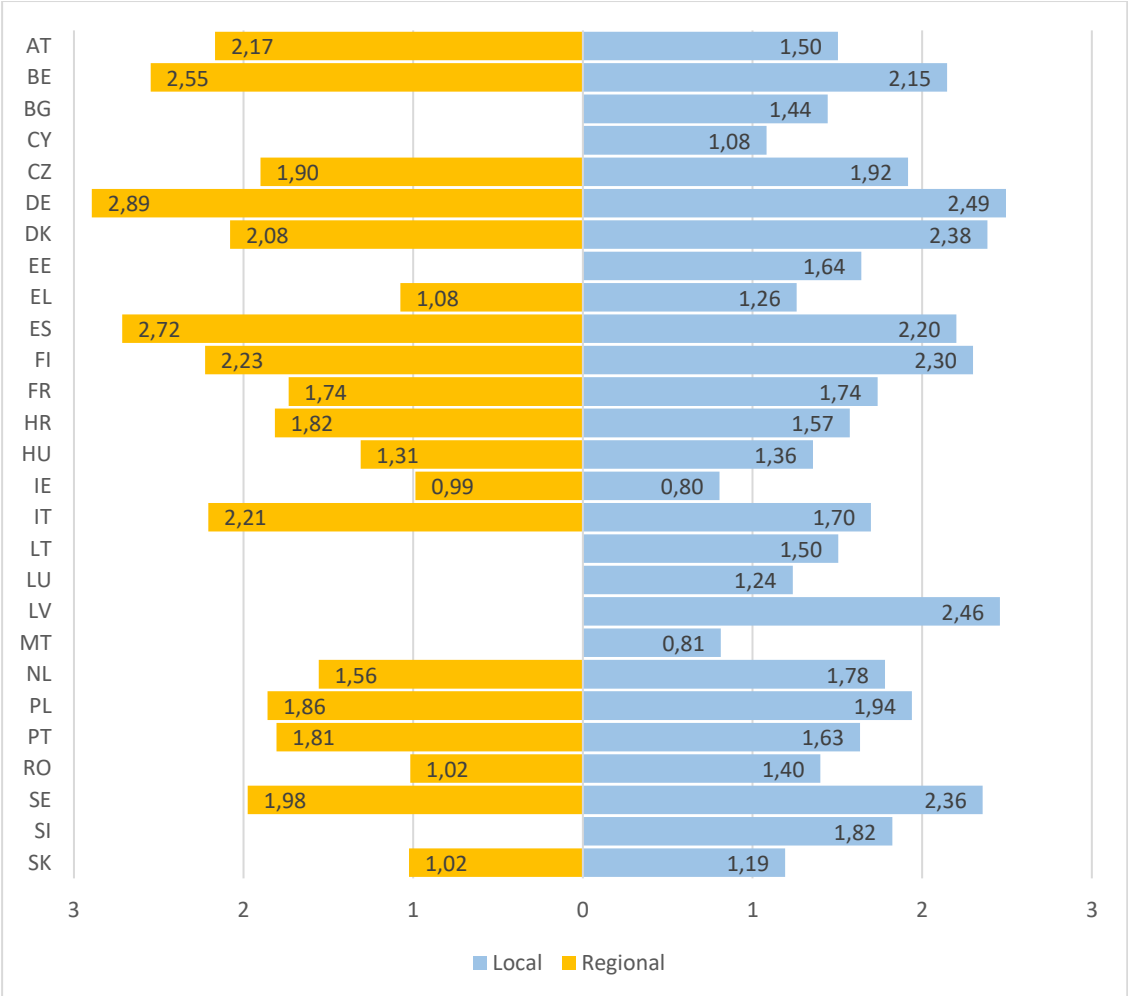
Source: Division of Powers, result of scores applied by the research team based on the text available. The MS with only one sub-national government tier are not scored for regional decentralisation.

The graph below shows the overall **political decentralisation** scores based on five indicators at regional and local levels. The EU average for both levels is similar, 2.04 and 1.91 respectively. Almost all Member States score higher at regional level, with the exceptions of Hungary, Slovakia, Greece and Romania. More political decentralisation at regional level vis-à-vis the central government is expected in federal and quasi federal states which score higher (Austria, Belgium, Germany, Spain, Italy). At regional level, Finland (2.3), the Netherlands (2.6) and France (2.0) also score higher than most Member States. Ireland (1.3) and Romania and Slovakia (1.25 for both) score lower than other Member States. The scores for local level are markedly higher for Germany, Latvia (2.5 for both) and the Netherlands (2.4). Ireland (1.2) and Croatia (1.5) score lower than other Member States on their scores for political decentralisation at local level.
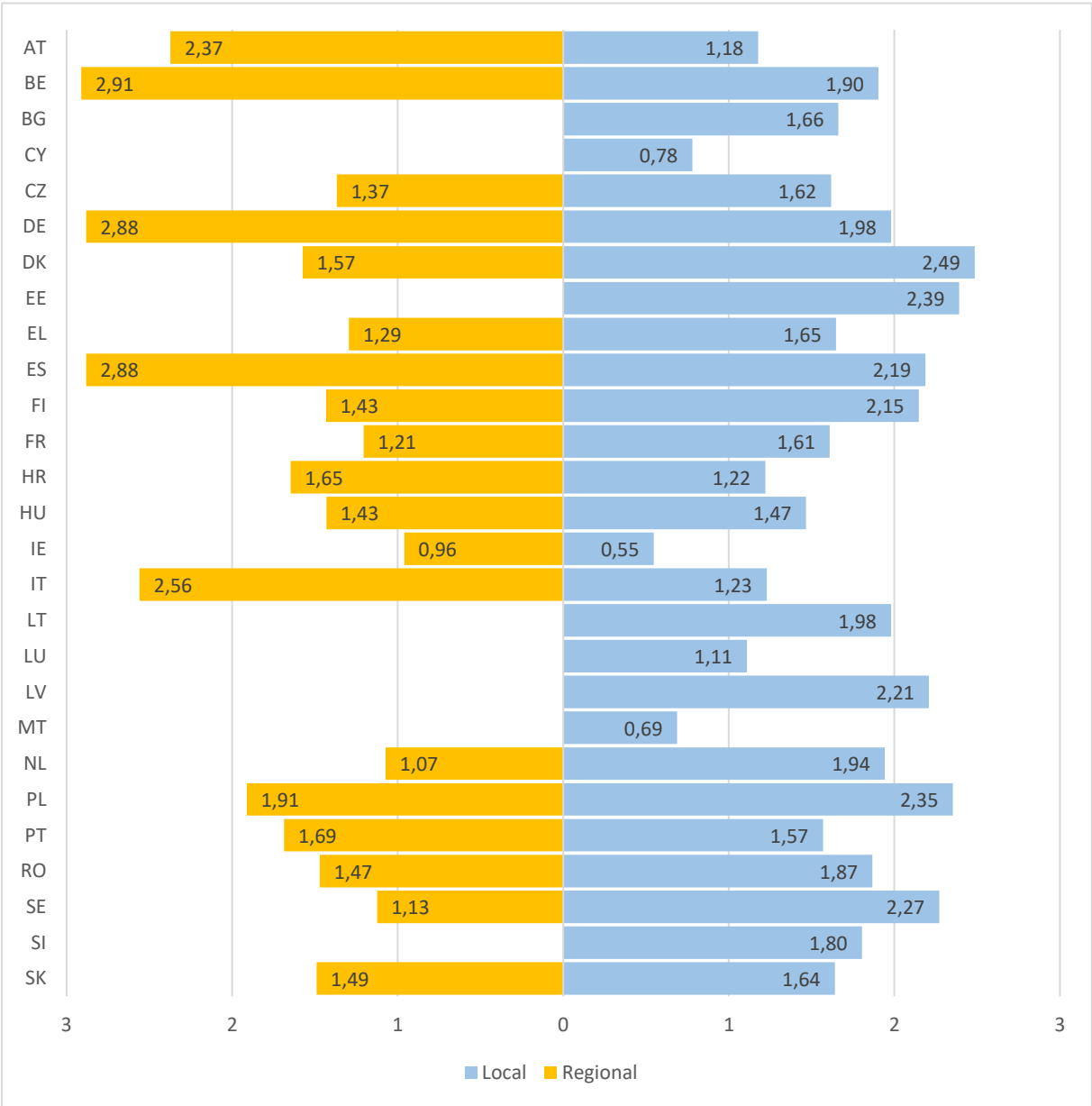
Figure 6 Average scores for political decentralisation, based on five indicators

Source: Division of Powers, result of scores applied by the research team based on the text available. The MS with only one sub-national government tier are not scored for regional decentralisation.

In the EU the average scores for regional and local **administrative decentralisation** are very similar, 1.75 and 1.68, respectively. Denmark (2.49), Estonia (2.39), Poland (2.35) and Sweden (2.27) have higher scores than other Member States for the local level. Ireland (0.55), Malta (0.69) and Cyprus (0.78) score lower. For the regional level, Belgium has the highest score (2.91) followed by Spain and Germany (2.88 for both). The Netherlands (1.07), Ireland (0.96) and Sweden (1.13) score lower on regional administrative decentralisation.

Figure 7 Average score for administrative decentralisation, based on four indicators

Source: Division of Powers, result of scores applied by the research team based on the text available. The MS with only one sub-national government tier are not scored for regional decentralisation.

41

When it comes to **fiscal centralisation**, the existing quantitative data and trends over time provide additional information, complementing the picture. The graph below shows the overall fiscal decentralisation for each Member State, based on the average of three indicators over a period of 20 years (2000-2020) and the scoring method described in section 3.1.4. Only one set of scores is presented, without the distinction between the regional and local tiers. As explained in section 3.1.4, 23 Member States have data on local governments and only four Member States (Austria, Belgium, Germany and Spain) have data on local and regional tiers. For these Member States, the scores were obtained by aggregating the data on local and regional tiers. Overall, Germany, Finland and Sweden have the highest scores, followed by Spain, Latvia and Denmark. The Member States with the lowest average scores are Malta, Estonia, Greece, Lithuania, Romania and Slovakia.

Figure 8 Average score for fiscal decentralisation, based on three indicators
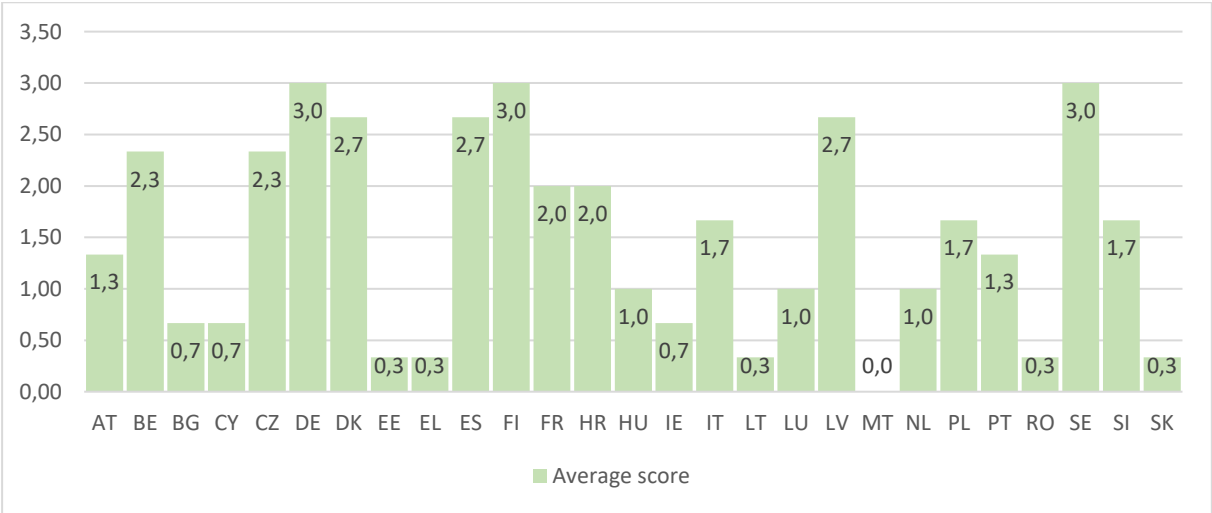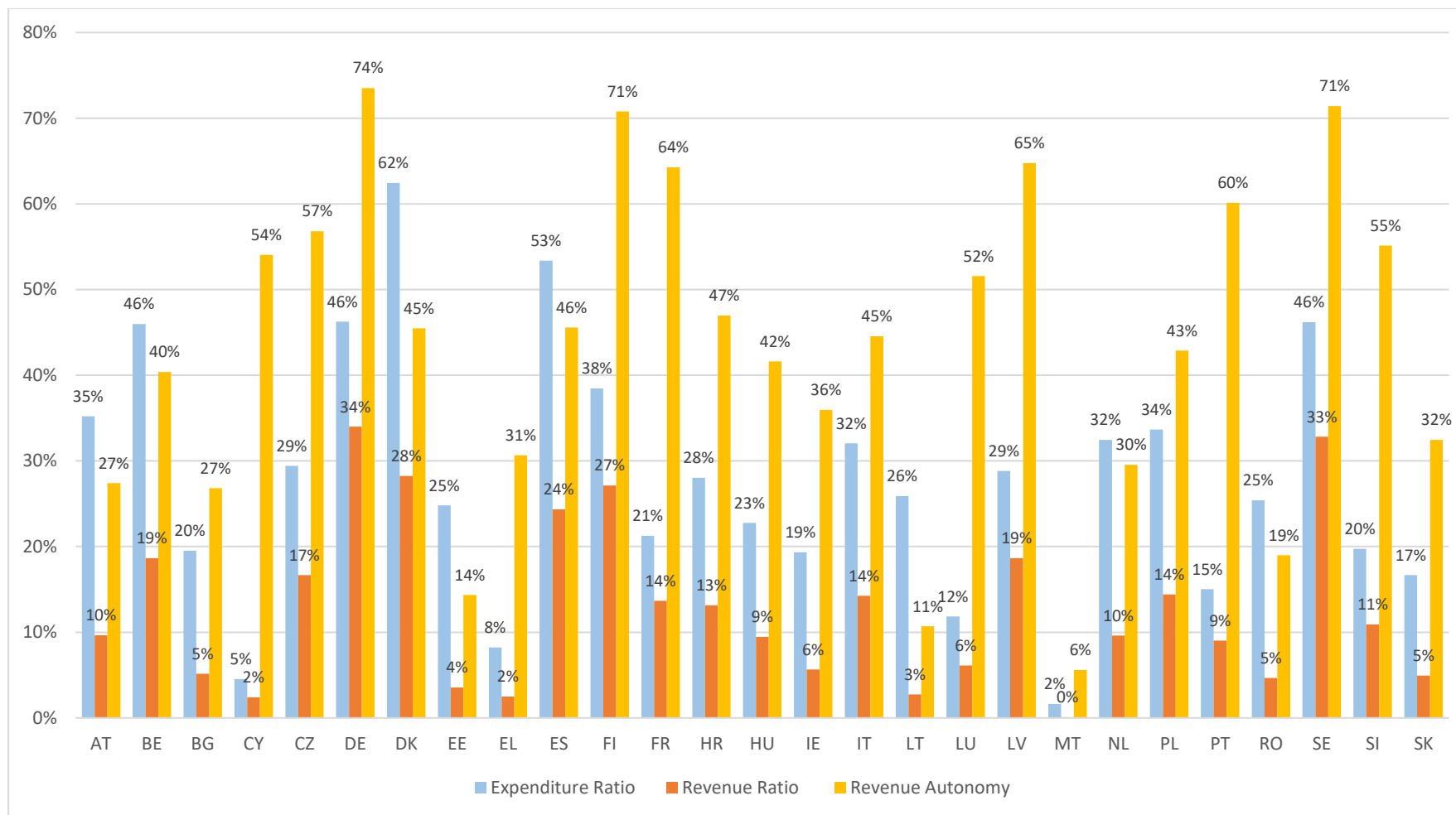

Source: Eurostat, own calculations.

When it comes to actual percentages over the same time period, major differences exist across the Member States for the three indicators (see graph on the next page):

- For the share of sub-national spending compared to the central government (expenditure ratio), scores vary between 62 % in Denmark to under 2% in Malta with an EU average of 28 %.
- The share of 'own' sub-national revenues within the total government revenues (revenue ratio) varies from 34 % in Germany to 0.1 % in Malta, with an EU average revenue ratio of 13 %.
- The share of 'own' revenues within the sub-national budget (revenue autonomy) also varies a lot, from 74 % in Germany to 6 % in Malta, with an EU average of 43 %.

For Sweden, Germany and Finland, all three indicators show a high degree of decentralisation compared to other Member States. Lower levels of fiscal decentralisation are observed in Malta, Cyprus, Greece, Estonia, Lithuania, Slovakia, Romania for all three indicators.

Figure 9 Fiscal decentralisation, 3 indicators based on the average of 2000-2020 data, in percentages
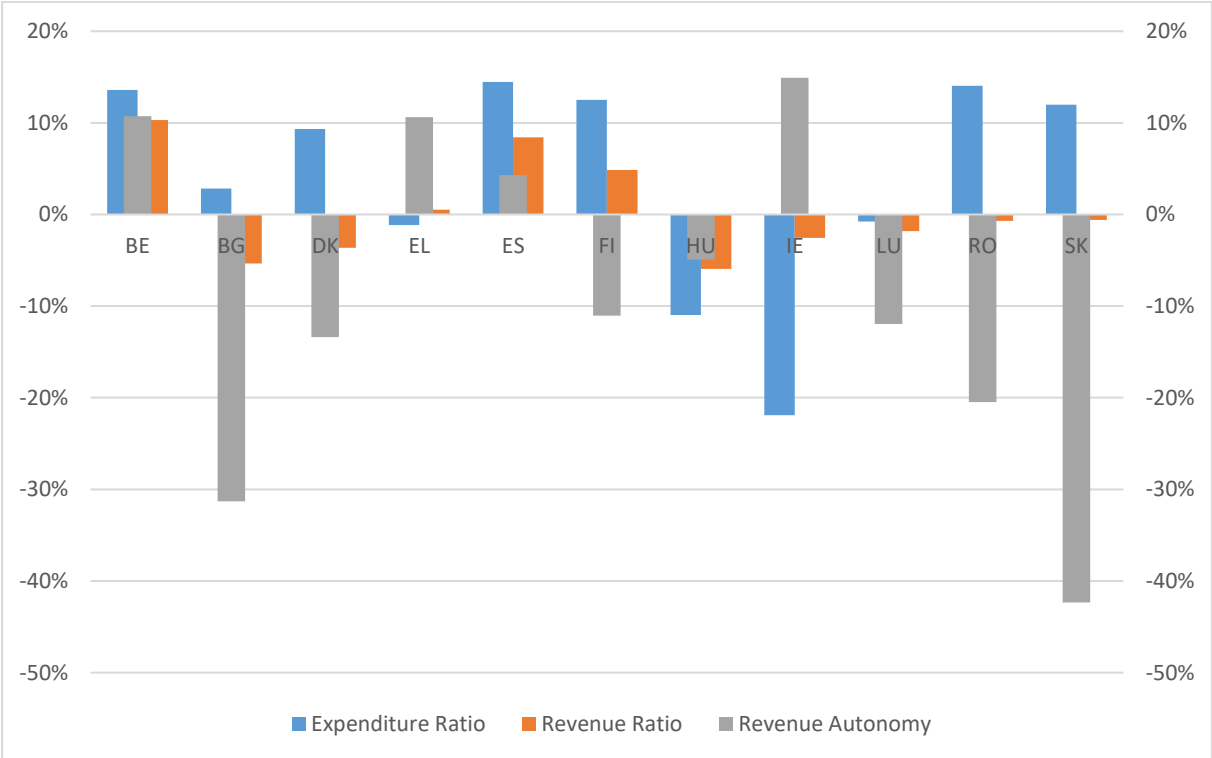

Source: Eurostat, own calculations.

It is also interesting to see how the Member States perform across the three indicators selected for the study. Sweden, Germany and Finland have relatively high scores across all three indicators implying a higher degree of fiscal decentralisation. On the other hand, Denmark, Spain and Belgium have high expenditure ratios and revenue ratios but do not figure among the top tier when it comes to revenue autonomy. This may indicate that while the shares of local spending and revenues are high a substantial part of these resources are not raised locally but are transfers from the central government. On the other hand, there are also Member States who have higher revenue autonomy compared to others but score lower on the other two ratios such as Czechia, France, Latvia and Portugal. This might indicate that while a significant share of revenues is raised at the sub-national level independently of grants, the importance of this share in the overall government revenues and spending is lower.

For most of the Member States, the change since 2000 is small. For Austria, Estonia, Czechia, Croatia, Lithuania and Latvia, it is below 5 percentage points (pp) for all three indicators. Some countries have seen changes of larger magnitude: these are presented in the graph below. Spain, Romania, Belgium, Sweden, Finland and Slovakia increased their expenditure ratio, whereas Hungary and Ireland saw a decrease.

Figure 10 Changes over time, 2000-2020, as percentage points

Source: Eurostat, own calculations – only countries where the change was bigger than 5 pp are shown in the graph.

The revenue ratio is more stable across Member States compared to the other two indicators, with the largest increases for Belgium (10 pp increase) and Spain (8 pp increase) and the largest decreases for Hungary (- 6 pp) and Bulgaria (-5 pp). Changes to the revenue autonomy are greater, with Ireland (15 pp increase), Belgium and Greece (11 pp increase for both), Slovakia (42 pp decrease), Bulgaria (30 pp decrease) and Romania (20 pp decrease) standing out. Overall, only Luxembourg, the Netherlands, Cyprus and Hungary have seen a decrease across all three indicators. At the other end of the spectrum, percentages for all three indicators have increased in Belgium, France, Slovenia, Portugal and Spain.

4.3 Suggestions for future updates and the DoP structure

As mentioned in the introduction, the DoP is an ongoing project which will be further developed in successive steps. The development of the indicators is an important opportunity to identify ways in which the information on the DoP can be improved. This section focuses on the recommendations for future updates of the portal with a more detailed focus on each indicator.

Indicators on political decentralisation

<u>Ind_1: Legal basis for the principle of self-government</u>
The current information on the portal does not always specify what a country's constitution says about local and regional competences; moreover, the information available is not presented in a harmonised way across the countries. For instance, information on several Member States includes a statement such as: 'the constitution lists the competences' but not for others. It is not clear whether this is because the constitution does not specify the competences or simply because the researchers / national experts do not mention this specifically.

The future updates should ask straightforward questions to establish this in a clear manner and apply this to all countries. For instance:

- *Does the constitution recognise the principle of local and regional self-government?*
- *Does the constitution list the competences assigned to sub-national levels?*
- *If the constitution does not mention anything in this regard, are there any laws in place to establish the principle of self-government?*

The questions should be answered, to the extent possible, with Yes/No answers, with further information requested (e.g., for the list of competences).

Ind_2: Representation of sub-national levels at national level
The information on the portal does not always specify whether the representation of the sub-national authorities vis-à-vis the central government has a formal or informal aspect. This is an important point for scoring. Therefore, data collection on this aspect can be standardised by asking the researchers / national experts questions such as:

- *Are the sub-national levels directly represented in a parliament or other chamber?*
- *If not, are they represented by a formally assigned organisation which has full coverage of all members?*
- *If not, does this representation have an informal nature?*

The questions should be answered, to the extent possible, with Yes/No answers, which can then be supplemented by additional information.

Ind_3: Ability to influence higher level governments' legislation and policymaking
This is also a relatively straightforward indicator, and the information can be collected on a standardised basis. The researchers / national experts should be asked straightforward questions such as:

- *Does the central government have the formal obligation to consult sub-national levels for all legislation relevant for them? (That is, laws of the country demand it). How is this done?*
- *If it is not prescribed by law, does the central level consult the sub-national levels in a systematic manner? How? (e.g, does the consultation happen in a consistent or inconsistent way)*

Some combinations of the procedures can be observed. For instance, in a country the consultation might be on paper mandatory but poorly applied in practice. Or despite the fact that there is no formal obligation, consultations might be happening systematically. These differences should be taken into account when designing questions. Apart from the descriptive probes, the questions should be answered, to the extent possible, with Yes/No answers.

<u>Ind_4: Sub-national levels establish and sustain direct relations with EU institutions</u>

The scoring system for this indicator is relatively straightforward. The information is already available on the portal, the future updates can make sure it is updated in a standardised manner. The following questions can be used:

- *Does the sub-national tier have a representation office in Brussels? (This can be as an organisation which represents them collectively or in their own right)*
- *Yes/No (if the country has more than one sub-national tier, please specify for each tier)*
- *Do the sub-national governments participate in European organisations, networks (e.g. CEMR)?*
- *Yes/No (if the country has more than one sub-national tier, please specify for each tier)*

This indicator is relevant for the EU Member States only. In future updates, if the portal and the scores also include non-Member States, the overall score from all indicators should be calculated without taking this indicator into account for non-Member States.

<u>Ind_5: Subsidiarity: To what extent is the local and regional dimension taken into account during subsidiarity scrutiny?</u>
This indicator is relevant for the EU Member States only. In the future updates, the overall score from all indicators should be calculated without taking this indicator into account for non-Member States.

This indicator is about whether the EWS (Early Warning System) concerning the EU legislation is extended to the sub-national governments where relevant. Therefore, the information can be collected using a set of standardised questions across Member States. The questions should capture all the relevant points:

- *Is there a well-defined subsidiarity scrutiny procedure in place for EU legislation (whether it is called EWS or not)?*
- *If so, are sub-national levels consulted in a systematic way?*

The questions should be answered, to the extent possible, with Yes/No answers, which can be then supplemented with explanations.

Indicators on administrative decentralisation

Ind_6: Administrative subnational competences
In the current version of the portal, the sectoral pages used as the source of information for this indicator did not always contain the same level of information and in some cases fields were left blank. This lack of standardised information and differences in language and detail mean that it is not always clear whether subnational authorities have limited or no competences in the specific sector or whether the sector was not covered by the researcher.

The future updates should include clear and consistent information on each of the policy areas/sectors featured in the DoP. This information can be collected using a set of questions and clear criteria for each policy field in templates provided to national researchers. The policy fields and answer categories must be the same for all countries to achieve consistency. Under each policy area, there is a number of different sub-areas. For instance, for education, information includes competences on many different aspects across the countries from management of nurseries to policies regarding what food is offered in the canteens. In the current version of the portal, different sub-areas are often considered from one Member State to another, which results in difficulties for the reader to draw conclusions and make comparisons. These sub-fields must be standardised using a longlist or certain priority sub-areas such as the management of primary schools could be established. Other areas can be added as 'other'. The questions should be answered, to the extent possible, with Yes/No answers.

In addition, different government levels should be clearly distinguished and how they share competences in each policy field must be mentioned.

For example, in the case of education the following questions could be asked:

- *Are local/regional authorities responsible for primary education?*
  Yes/No
  If yes:
- *What type of responsibility do local/regional authorities have for primary education?*
- *Full competences/shared competences/only implementation of central level policies*
- *Do the responsibilities include the maintenance of school buildings?*
  Yes/No
- *Do the responsibilities include teachers' employment and payment?*
  Yes/No
- *Can local/regional authorities take decisions concerning the curriculum?*
  Yes/No

Ind_7: Administrative residual competences
This indicator can be populated with clearer data if questions are formulated to collect the information in a standardised manner. The questions can be designed to explore the scope of the competences based on the scoring method:

- *Can the local/regional government take on any new tasks which are not specifically assigned to other government levels?*
  Yes/No
- *If not, is there a defined list of tasks/areas which are explicitly assigned to the local/regional governments? Are they autonomous in these tasks/areas?*
  Yes/No

The questions should be answered, to the extent possible, with Yes/No answers, which can be then supplemented with explanations.

Ind_8: Share of subnational employment out of total governmental employment
This information is currently not included on the DoP but was obtained for this study from a report published by the European Commission[55]. However, the share of subnational employment along with information on the ability of subnational governments to hire and fire their own civil servants is included in several key existing analyses and indices on decentralisation. It would therefore be beneficial to include questions on these aspects in the template provided to national researchers in future updates.

Ind_9: Administrative Supervision from central level
Information regarding the supervision of subnational authorities by the central level is not indicated on the DoP portal for several Member States, and it would be beneficial to ensure that questions on this aspect are included in the template provided to national researchers in future updates. These questions could be:

- *To what extent does the central level supervise the actions of the subnational levels?*
- *Are disputes settled in court or can the central level overturn certain decisions taken by the subnational levels?*
- *Are national delegates present in the regional/local level for supervisory purposes?*

---

[55] European Commission (2018) A comparative overview of public administration characteristics and performance in EU28, https://op.europa.eu/en/publication-detail/-/publication/3e89d981-48fc-11e8-be1d-01aa75ed71a1/language-en.

Indicators on fiscal decentralisation

The information used to populate the indicators is publicly available and updated every year by Eurostat. Future studies can follow the same method to easily update the indicators. The section below focuses on the information available on the current version of the DoP on fiscal powers.

<u>Suggestions on restructuring the information available on the DoP</u>
Information pertinent for fiscal decentralisation is currently available under the page 'Fiscal powers' on the DoP portal. It contains a mix of quantitative and qualitative information, but it is not made very clear which information can be an indicator of fiscal decentralisation. In the future, it may be useful to feature the quantitative indicators of fiscal decentralisation and the visual tool more prominently.

In addition, these indicators are currently covered under different sections ('qualifying fiscal decentralisation' and the first part of 'level of fiscal decentralisation'), while the methodology is provided on a completely separate page. Therefore, it is not easy to understand what each chart represents and how it should be interpreted. Integrating a short explanation for each indicator (i.e. how it is defined and estimated and how it can be understood) in the main page might be easier and more user-friendly than re-directing users to a separate methodology page. This can be a complementary feature at the end of the page, where more details about the methodology are provided through a link to another page.

Further, the country pages feature charts and text about 'tax autonomy' but the methodology information does not clearly indicate the source of the data, nor explain its meaning. In the future, the methodology could be presented together with an explanation of what the indicator shows.

Information about expenditures by policy area could be linked to the competences of subnational governments in these policy areas, when the latter topic is further developed. At the moment it is not easy to put the expenditure information into context and understand if high or low spending in a policy area is linked to the level of decentralised competence. In interpreting this fiscal data, it will be valuable to understand whether subnational governments receive conditional grants/transfers from central governments for expenditures in certain policy areas.

<u>Suggestions on qualitative indicators on fiscal decentralisation:</u>
In the future, fiscal decentralisation could be further detailed via qualitative indicators, for example on the conditionality of grants/transfers from the central government. The DoP pages on 'fiscal equalisation mechanisms' provide some information, but the details currently vary a lot by country. It may be useful to

refine the information through further data collection using uniform questions. These questions could be:

- *Do subnational governments have full discretion to decide how to spend the grants/transfers from the central government?*
- *Do grants/transfers from the central government come with conditions and instructions how they should be spent by the subnational governments?*
- *Does the central government exercise control over how grants/transfers to subnational governments are spent or in which policy areas they are spent?*

The questions should be answered, to the extent possible, with Yes/No answers followed by other additional information.

Similarly, a qualitative indicator could be developed to capture the capacity of subnational governments to borrow independently. Information from the section 'fiscal rules and borrowing capacity' can be a basis, if it is more uniform and complete across countries. The following questions could be used in information gathering:

- *Can subnational governments borrow independently of the central government?*
- *Do subnational governments need the approval of the central government for a decision to borrow?*
- *Are there limits or conditions on their borrowing capacity imposed by the central government?*

The questions should be answered, to the extent possible, with Yes/No answers, followed by other additional information.

5. Concluding remarks

This study aimed at creating a decentralisation index which can be largely populated with the information already available in the DoP portal. It is designed as a tool to provide a perspective through which different dimensions of decentralisation (political, administrative and fiscal) can be observed within the countries. Drawing on the literature and previous indices, a set of 12 indicators was created. While four of the indicators are based on sources published by the Eurostat and the European Commission, the remaining eight are populated by using a scoring methodology applied to the text available on the DoP. The results were then aggregated to provide overall scores for decentralisation and scores for each dimension (political, administrative, fiscal). This process was carried out to cover separately local and regional decentralisation in the countries where there is more than one government tier. The scores for regional and local decentralisation are presented separately in the form of a visualisation map, created specifically for this study.

The DoP is being improved constantly with subsequent updates, and so will the decentralisation index. The study provides a starting point and includes suggestions for a more standardised data collection for the future updates of the portal in order to fully populate the index.

6. **List of references**

Reports& journal articles

Abdelhak F., et al., (2012), Measuring Decentralization and the Local Public Sector: A Survey of Current Methodologies

Assembly of European Regions, (2009), From Subsidiarity to Success: The Impact of Decentralisation on Economic Growth, Part 1: Creating a Decentralisation Index.

Bullmer E., (2017), International Institute for Democracy and Electoral Assistance (IDEA)- Constitution Building Primer 13.

Committee of Experts on Public Administration, (2006), Definition of basic concepts and terminologies in governance and public administration (E/C.16/2006/4).

CEMR, (2016), Local and Regional Governments in Europe Structures and Competences.

European Committee of the Regions, (2020), EU Local and regional barometer: counting the cost of COVID pandemic on EU regions, cities and villages.

Freille, S., Haque, M., Kneller R., (2008), Federalism, decentralisation and corruption.

The European Commission, (2018), A comparative overview of public administration characteristics and performance in EU28.

Do Vale, H., (2015), Comparing and Measuring Subnational Autonomy across Three Continents, Lex Localis – Journal of Local Self-Government, 13(3), pp.737-760.

Jean-Baptiste Paul Harguindéguy, Alistair Cole & Romain Pasquier, (2019), The variety of decentralization indexes: A review of the literature, Regional & Federal Studies.

Ivanyna, Maksym; Shah, Anwar, (2014), How close is your government to its people? Worldwide indicators on localization and decentralization, Economics: The Open- Access, Open-Assessment E-Journal, ISSN 1864-6042, Kiel Institute for the World Economy (IfW), Kiel, Vol. 8, Iss. 2014-3, pp. 1-61.

Ladner, A., & Keuffer, N., (2017), Creating a comparative index of local autonomy.

Ladner A., Keuffer N. & Baldersheim, H., (2015), Self-rule Index for Local Authorities (Release 1.0), Report for the European Commission.

Martinez-Vazquez, J. & Timofeev, A., (2010), Decentralization measures revisited, International Studies Program, Working Paper 09-13 (updated), Andrew Young School of Policy Studies.

Marks G., et al., (2014), Measuring Regional Authority

OECD, (2019): 2019 Report World Observatory on Subnational Government Finance and Investment

OECD, (2019), Making Decentralisation Work: A Handbook for Policy-Makers, OECD Multi-level Governance Studies, OECD Publishing, Paris, https://dx.doi.org/10.1787/g2g9faa7-en.

OECD/UCLG, (2019), 2019 Report of the World Observatory on Subnational Government Finance and Investment – Key Findings.

Schakel, A. et al., (2018), Final Report on Updating the Regional Authority Index (RAI) for Forty-Five Countries (2010-2016).

Schneider, A., (2003), Decentralization: Conceptualization and Measurement, Studies in Comparative International Development 38(3):32-56, DOI:10.1007/BF02686198

Torrisi G. et al., (2011), Defining and measuring decentralisation: a critical review

Treisman, D., (2002), Defining and Measuring Decentralization: A Global Perspective.

Trinn, C., Shulte, F., (2020), Untangling Territorial Self-Governance: New Typology and Data, Regional & Federal Studies on July 23, 2020.

UNDP, (1999), Decentralization: A Sampling of Definitions (Working paper prepared in connection with the Joint UNDP-Government of Germany evaluation of the UNDP role in decentralization and local governance)

UNDP, (No date): A User's Guide to Measuring Local Governance

UNDP, (2004), Decentralised Governance for Development: A Combined Practice Note on Decentralisation, Local Governance and Urban/Rural Development

Websites & databases and other

Committee of the Regions, Early Warning System, available at: CoR - Early Warning System (europa.eu)

Eurostat, 2013, European System of Accounts, ESA 2010, pp.424-431.

Eurostat, Government Finance Statistics, Database - Government finance statistics and EDP statistics - Eurostat (europa.eu)

IMF Government Finance Statistics available at: Government Finance Statistics - At a Glance - IMF Data

Index of Decentralisation: Study links economic performance to Europe's first Decentralisation Index | Assembly of European Regions (aer.eu)

JRC: 10 step guide, Step 5: Normalisation

Local Autonomy Index (LAI) – Datasets and methodology: Self-rule Index for Local Authorities (Release 1.0) - Regional Policy - European Commission (europa.eu)

OECD, Fiscal federalism network - OECD

Regional Authority Index (RAI), Datasets and methodology: Regional Authority Index (arjanschakel.nl)
Worldbank, Decentralization (worldbank.org)

Laws&Regulations

Council of Europe, European Charter of Local Self-Government, ETS No.122.

**European Committee
of the Regions**

Created in 1994 following the signing of the Maastricht Treaty,
the European Committee of the Regions is the EU's assembly of 350 regional and
local representatives from all 28 Member States, representing over 507 million Europeans.