

25th SESSION
Strasbourg, 29-31 October 2013

CG(25)12PROV
5 October 2013

Local and regional democracy in Denmark

Monitoring Committee

Rapporteurs: Ms Julia COSTA, Portugal (L, EPP/CCE¹)
Mr Jean-Pierre LIOUVILLE, France (R, SOC)

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Summary

This report on the situation of local and regional democracy in Denmark summarises the findings of the monitoring visit carried out from 2 to 5 October 2012. It highlights the overall positive (and, in some areas, exemplary) nature of local democracy in Denmark, where a "Charter culture" prevails in local government affairs, ensuring the implementation of the principles of self-government enshrined in the Charter. The report notes with satisfaction the existence of good practices which deserve to be cited as examples for consideration by other member States of the Council of Europe, such as the procedure for amalgamation of municipalities, consultations with local authorities in decisions concerning them directly, and the participation of citizens in local public life. However, the report also expresses concern that certain competences are not clearly devolved to local authorities, creating the risk of overlapping competences, assignment of inadequate financial resources or an inequitable distribution of financial burden due to inadequate mechanisms and procedures for financial equalisation at local and regional levels. The report also underscores the limited competences of the regional authorities who are unable to raise taxes and do not have their own financial resources.

It is recommended that the Danish authorities clearly define the local authorities' competences (including those specified in "municipal authority rules"), allocate them more financial resources covering all their domains of responsibility and improve procedures for financial equalisation between municipalities in order to make them compatible with the Charter. The report invites the Danish authorities to take inspiration from the Reference Framework for Regional Democracy for the development of Danish regions, revising the regions' competences and providing them with an opportunity to raise taxes. Lastly, Danish authorities are encouraged to sign and ratify the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207) in the near future.

¹ L: Chamber of Local Authorities / R: Chamber of Regions
ILDG: Independent and Liberal Democrat Group of the Congress
EPP/CCE: European People's Party Group in the Congress
SOC: Socialist Group of the Congress
ECR: European Conservatives and Reformists Group
NR: Not registered

DRAFT RECOMMENDATION²

1. The Congress of Local and Regional Authorities of the Council of Europe refers to:

a. Article 2 paragraph 1.b. of Statutory Resolution CM/Res (2011) 2 of the Committee of Ministers of the Council of Europe on the Congress of Local and Regional Authorities, which states that one of the aims of the Congress is “to submit proposals to the Committee of Ministers in order to promote local and regional democracy”;

b. Article 2 paragraph 3 of the aforementioned Resolution CM/Res(2011)2, which states that “the Congress shall prepare on a regular basis country-by-country reports on the situation of local and regional democracy in all member States and in States which have applied to join the Council of Europe, and shall ensure, in particular, that the principles of the European Charter of Local Self-Government are implemented”;

c. Resolution 307 (2010) revised on procedures for monitoring the obligations and commitments entered into by the Council of Europe member States in respect of their ratification of the European Charter of Local Self-Government (ETS No. 122; hereafter “the Charter”);

d. Recommendation 219 (2007) on the status of capital cities, Recommendation 132 (2003) on municipal property in the light of the principles of the European Charter of Local Self-Government;

e. Resolution 299 (2010) of the Congress on Follow-up by the Congress of the Council of Europe Conference of Ministers responsible for Local and Regional Government (Utrecht, Netherlands, 16-17 November 2009), which states that the Congress will use the Council of Europe Reference Framework for Regional Democracy in its monitoring activities, as well as the reply made by the Committee of Ministers to the Congress Recommendation 282 (2010) (CM/CONG(2011)Rec282final, encouraging the governments of member states to take account of the above mentioned Reference Framework;

f. Recommendation 164 (2005) on local and regional democracy in Denmark adopted by the Congress in May 2005;

g. The explanatory memorandum [CG(25)12] on the situation of local and regional democracy in Denmark, presented by Ms Julia COSTA, Portugal (L, EPP/CCE), and Mr Jean-Pierre LIOUVILLE, France (R, SOC).

² Preliminary draft recommendation approved by the Monitoring Committee on 3 July 2013.

Members of the committee:

L. O. Molin (President), *M. Abuladze*, *K. Andersen*, *L. Ansala*, *A. Babayev*, *T. Badan*, *S. Batson*, *V. Belikov*, *J-M. Belliard*, *M. Bepalova*, *V. Broccoli*, *E. Brogi*, *Z. Broz*, *A. Buchmann*, *X. Cadoret*, *A. Cancescu*, *M. Cardenas Moreno*, *W. Carey*, *S. Chernov*, *V. Churchmann*, *L. Ciriiani*, *M. Cohen*, *M. Cools*, *J. Costa*, *D. Çukur*, *BM. D'Angelo*, *M. de Vits*, *J. Dillon*, *R. Dodd* (alternate: *S. James*), *N. Dogan*, *G. Doğanoglu*, *V. Dontu*, *E. Flyvholm*, *J. Folling*, *U. Gerstner*, *A. Gkountaras*, *A. Gonzalez Terol*, *V. Groisman*, *M. Guegan*, *M. Gülevskiy*, *O. Haabeth*, *H. Halldorsson*, *S. Harutyunyan*, *GM. Helgesen*, *C. Hernandez Torres*, *B. Hirs*, *J. Hlinka*, *A. Ibrahimov*, *G. Illes*, *A. Jaunsleinis*, *M. Jegeni Yıldız*, *M. Juhkami*, *M. Kardinar*, *J-P. Klein*, *A. Kriza*, *I. Kulichenko*, *C. Lammerskitten*, *L. Lassakova*, *F. Lec*, *J-P. Liouville*, *I. Loizidou*, *A. Lubawinski*, *A. Magyar*, *D. Mandic*, *J. Mandico Calvo*, *T. Margaryan* (alternate: *E. Yeritsyan*), *G. Marsan*, *V. Mc Hugh*, *N. Mermagen*, *A. Mimenov*, *I. Misheva*, *V. Mitrofanovas*, *M. Monesi*, *G. Mosler-Törnström*, *A. Muzio*, *AT. Papadimitriou-Tsatsou*, *U. Paslawska*, *N. Peleshi*, *H. Pihlajasaari*, *G. Pinto*, *G. Policinschi*, *T. Popov*, *A. Pruszkowski*, *R. Rautava*, *I. Reepalu*, *H. Richtermocova*, *N. Romanova*, *J. Sauwens* (alternate: *J-P. Bastin*), *A. Schorer* (alternate: *P. Schowtka*), *L. Sfirloaga*, *D. Shakespeare*, *I. Shubin*, *S. Siukaeva*, *A-M. Sotiriadou*, *D. Straupaite*, *A. Torres Pereira*, *A. Ugues*, *G. Ugulava*, *A. Uss*, *P. Uszok*, *V. Varnavskiy* (alternate: *A. Borisov*), *L.O. Vasilescu*, *B. Vöhringer*, *L. Verbeek*, *L. Wagenaar-Kroon*, *F. Wagner*, *H. Weninger*, *J. Wiene*, *D. Wrobel*, *U. Wüthrich-Pelloli*, *J. Zimola*.

N.B.: The names of members who took part in the vote are in italics.

Secretariat of the committee: S. Poirel and S. Cankoçak.

2. The Congress stresses the following:

a. The Kingdom of Denmark became a member of the Council of Europe on 5 May 1949. It is one of the Organisation's founding States. It signed the European Charter of Local Self-Government (ETS No. 122, hereafter "the Charter") on 15 October 1985 and ratified it on 3 February 1988. Denmark adopted all the provisions of the Charter. At the time of ratification it made a declaration to the effect that the Kingdom of Denmark considered itself bound by the European Charter of Local Self-Government in its entirety, but that the provisions of the Charter would apply to the Danish municipalities (*kommuner*) and counties (*amtskommuner*), apart from the Metropolitan Council (*Hovedstadsrådet*), which was abolished in 1989, and that the Charter would apply neither to Greenland nor to the Faroe Islands;

b. Denmark has not signed the Additional Protocol to the European Charter of Local Self-Government on the right to participate in local government affairs (CETS No. 207);

3. It notes that:

a. Ms Julia COSTA (Portugal, L, EPP/CCE), Rapporteur on Local Democracy, and Mr Jean-Pierre LIOUVILLE (France, R, SOC), Rapporteur on Regional Democracy, were instructed by the Monitoring Committee to prepare a report on Denmark and to submit it to the Congress;³

b. The monitoring visit took place from 3 to 5 October 2012. During this visit, the Congress monitoring delegation met with the relevant central government bodies, members of the parliamentary committee concerned, national associations of local and regional authorities and representatives of the council of the Capital Region, Dragør, Soro and Maribo, as well as with representatives of the Faroe Islands and Greenland and the Danish Ombudsman;

c. The delegation would like to thank the Permanent Delegation of Denmark to the Council of Europe, the Danish authorities, the national associations of local authorities and all those with whom it held discussions, for their readiness to help, their interest in the work of the Congress and their co-operation throughout the visit.

4. The Congress notes the following with satisfaction:

a. the generally positive (and in some ways exemplary) nature of local democracy in Denmark, which is reflected in a "Charter Culture" as regards the implementation of the principles enshrined in the Charter;

b. the merging of municipalities on a voluntary basis and after consultation with local authorities on the one hand, and the possibility of inter-municipal co-operation agreements, in case of refusal of the mergers by the concerned local authorities on the other hand;

c. the consultation with local and regional authorities during the process of planning and decision-making in all matters directly affecting them;

d. the compliance with most of the principles of the Charter, particularly those laid down in Articles 2, 3, 5, 6, 7, 8, 10 and 11;

e. the active participation by Danish citizens in the political decision making processes;

f. the 2007 reform which had been conducted in a participatory manner and which had the primary aim of reinforcing local democracy in Denmark.

³ They were assisted in their work by Ms Esther Maurer, member of the Group of Independent Experts, and Ms Stéphanie Poirel, Secretary to the Monitoring Committee of the Congress.

5. The Congress regrets:

- a. the lack of clarity as regards certain responsibilities, which are not clearly allotted to local authorities – a situation which may lead to duplication (Article 4 para.1);
- b. the inadequacy of financial resources freely available to local authorities in the framework of their competences (Article 9 para.2);
- c. the insufficiency of the mechanisms and procedures for financial equalisation at the local and regional levels and the consequent unequal distribution of financial burdens (Article 9 para.5);
- d. the often strict State supervision of municipal access to the capital markets (Article 9.8);
- e. the decreased powers and responsibilities of the Capital City of Copenhagen;
- f. the restricted competences of the regions and their inability to levy taxes or obtain financial resources other than contributions from the national level.

6. The Congress recommends that the Committee of Ministers invite the Danish authorities to:

- a. clearly define, in the light of Article 4 para.1 of the Charter, the areas of responsibility of local authorities, including the competences set out in municipal decrees which are vague and which often overlap;
- b. allocate appropriate and concomitant financial resources to all competences exercised by local authorities;
- c. improve the procedures for financial equalisation among the municipalities in order to bring them into line with Article 9 para.5 of the Charter in connection with local authorities, and draw on the Reference Framework on Regional Democracy in structuring the Danish regions;
- d. revise the State's supervisory procedures vis-à-vis local authorities in order to facilitate their access to the national capital markets;
- e. reinforce the responsibilities of the Capital City in the light of Recommendation 219 (2007) of the Congress on the Status of Capital Cities;
- f. revise the responsibilities of the regions and consider empowering them to levy taxes or to obtain their own specific financial resources;
- g. sign and ratify in the near future the Additional Protocol to the European Charter of Local Self-Government on the right to participate in local government affairs (CETS No. 207).

7. The Congress invites the Committee of Ministers of the Council of Europe to take account of the present recommendation on local and regional democracy in Denmark, as well as its explanatory memorandum, in its own monitoring procedures and other activities relevant to this member state.

EXPLANATORY MEMORANDUM

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1. INTRODUCTION: AIM AND SCOPE OF THE VISIT, TERMS OF REFERENCE

1. In accordance with Article 2 para. 3 of the Statutory Resolution CM/Res(2011)2 of the Committee of Ministers of the Council of Europe, the Congress of Local and Regional Authorities of the Council of Europe (hereafter “the Congress”) regularly prepares country-by-country reports on the situation of local and regional democracy in all member States and states applying for Council of Europe membership, and in particular supervises the effective implementation of the principles of the European Charter on Local Self-Government.

2. The Kingdom of Denmark acceded to the Council of Europe on 5 May 1949. It is one of the Organisation’s founder countries. Denmark signed the European Charter of Local Self-Government (ETS No. 122, hereafter “the Charter”) on 15 October 1985, and fully ratified it in 1988. At the time of ratification it made a declaration to the effect that the Kingdom of Denmark considered itself bound by the European Charter of Local Self-Government in its entirety, but that the provisions of the Charter would apply to the Danish municipalities (*kommuner*) and counties (*amtskommuner*), apart from the Metropolitan Council (*Hovedstadsrådet*), which was abolished in 1989, and that the Charter would apply neither to Greenland nor to the Faroe Islands. Denmark has not signed the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of a local authority (CETS No. 207).

3. The situation of local and regional democracy in Denmark has already been the subject of a Congress monitoring report, adopted in 2005. Recommendation 164(2005) on local and regional democracy in Denmark based on this report was adopted by the Congress on 31 May 2005.

4. Ms Julia Costa (Portugal, L, EPP/CCE), Rapporteur on Local Democracy, and Mr Jean-Pierre Liouville (France, R, SOC), Rapporteur on Regional Democracy, were instructed by the Monitoring Committee to prepare a report on Denmark and to submit it to the Congress. The rapporteurs were assisted in their work by Ms Esther Maurer, consultant with the Group of Independent Experts on the European Charter of Local Self-Government, and by the Congress Secretariat. The delegation visited Denmark from 3 to 5 October 2012.

5. During this visit, the Congress delegation considered the current situation of local and regional democracy and the outcome and consequences of the reforms of the whole government structure in Denmark.

6. This report was drawn up on the basis of the information gathered during the visit and other information supplied to the Congress delegation by the relevant central government bodies, members of the parliamentary committee concerned, the national associations of local and regional authorities and representatives of the council of the Capital Region, Dragør, Soro and Maribo, as well as representatives of the Faroe Islands and Greenland and the Danish Ombudsman.

7. The delegation would like to thank the Permanent Representation of Denmark to the Council of Europe, the Danish authorities, the national associations of local and regional authorities and all those with whom it held discussions, for their readiness to help, their interest in the work of the Congress and their co-operation throughout the visit (see the detailed visit programme appended to this report).

2. POLITICAL AND STRUCTURAL CONTEXT AND POLITICAL DEVELOPMENTS SINCE THE PREVIOUS RECOMMENDATION 164 (2005)

8. Denmark is a constitutional monarchy belonging to the group of Scandinavian countries. It covers an area of 43 094 km² with a population of 5 605 836 (2013),⁴ and its capital is Copenhagen, which has 562 253 inhabitants (2013).

⁴ <http://www.dst.dk/en/Statistik/emner/befolkning-og-befolkningsfremskrivning/folketal.aspx>

9. The Kingdom of Denmark also has two autonomous regions, namely the Faroe Islands and Greenland, each of which has its own legislative assembly.

10. On 17 January 1979, the population of Greenland approved by referendum the Law of 29 November 1978 granting the island autonomous status. As of 1 May 1979, therefore, Greenland became a “special community” within the Kingdom. With a total area of some 2.2 million km², over 80 % of which is covered by icecap, Greenland is the largest island in the world. The autonomous status of Greenland was further expanded on 21 June 2009, as a result of the Greenland Self-Government Act voted by the Danish Parliament on 19 May 2009. The Danish / Greenlandic Act affirms that the people of Greenland have the right for self-determination in accordance with international law, while stipulating a process for exercising this right when and if the people of Greenland should wish so. Greenland introduced its own flag in 1985. Its autonomous status provides that Greenlandic is the main language, that Danish must also be intensively taught and that both languages can be used for official purposes. Greenland has a population of 56 744. On 1 December 2009, Greenland conducted a merger of its municipalities, reducing their number from 18 to 4, the smallest of which has 7 500 inhabitants and the largest 21 600.

11. The Faroes archipelago, which used to be a Danish county, became an “autonomous community” within the Kingdom on 1 April 1948, with the entry into force of the Law on the internal autonomy of the Faroe Islands. The archipelago comprises 18 islands and is located some 400 km north of Scotland, halfway between Iceland and Norway. The Faroe Islands have a population of 48 346 and a total area of 1 399 km². They comprise 6 regions and 30 municipalities, the largest of which has some 20 000 inhabitants. The autonomous status provides that the Faroe Islands have their own flag and that Faroese is recognised as the main language. However, it is specified that “*Danish must be taught appropriately and may be used on the same basis as Faroese in public affairs*”.

12. Neither the Faroe Islands nor Greenland belongs to the European Union: the former have always refused to join and the latter withdrew on 1 February 1985 following a referendum held in 1982.

2.1. Governmental structure

13. The Kingdom of Denmark is a parliamentary democracy. Queen Margrethe II has been Head of State since 1972. The Danish Parliament is a unicameral parliament known as the “Folketing”, made up of 179 members elected by direct universal suffrage on the basis of proportional representation for a four-year mandate. The Faroe Islands and Greenland are each represented by two elected representatives.

14. The Parliament has 25 standing committees dealing with all political fields and all legislative acts must pass through the relevant committee. These committees each have 17 members, apart from the Committee on Rules of Procedure, which has 21. The brief of a particular committee largely corresponds to that of a ministry. The Parliament can also set up special commissions to deal with specific issues or topics.

15. The national elections which were held on 15 September 2011⁵ were won by the left-wing opposition forces led by the Social Democrat Party. Together the four “Red Bloc” parties (the Social Democrat Party, the Social Liberal Party, the Socialist People’s Party and the Unity List) took 50.2 % of the votes (100 % = 3 579 121) and 89 seats in the “Folketing”, overtaking the “Blue Bloc” – made up of right-wing formations (the Liberal Party, the Danish People’s Party, the Liberal Alliance and the Conservative Party) – which gained 49.70 % of the votes and 86 seats. Kaj Leo Johannesen and Aksel Johannesen were elected in the Faroe Islands, and Kuupik Kleist and Aleqa Hammand in Greenland. The total turnout was 87.71 % (100 % = 4 080 847).

16. In the wake of the elections Ms Helle Thorning-Schmidt was appointed Prime Minister. The Government formed on 3 October 2011 reflects the balance of political forces: 11 of the 23 portfolios for the Social Democrats, 6 for the Socialist People’s Party and 6 for the Social Liberal Party.

⁵ <http://www.dst.dk/en/Statistik/emner/valg/folketingsvalg.aspx>

2.2. Local government reform in Denmark

17. The reform of local government launched in Denmark on 1 January 2007, had three main aims:

- ensuring an efficient public sector capable of providing optimum services without increasing taxation;
- reinforcing local democracy, the ultimate aim being the provision of social services by the authorities closest to the citizens;
- establishing clear responsibilities for each of the relevant bodies and preventing overlapping. Each individual administrative level was thus assigned responsibilities specially designed for it.

18. First of all, following the 2007 reform, the 14 counties were abolished and a completely new level of responsibility was introduced, namely the five regions ("*Regioner*"), each of which is led by a regional council elected by direct suffrage. The five regions are new-style authorities and their roles differ from those of the old counties. Secondly, the 271 municipalities were merged. There are now 98 municipalities ("*Kommuner*") directed by councils elected by direct suffrage.

19. Furthermore, the 2007 reform defined the identity of each territorial administrative level on the basis of its assigned responsibilities:

- Level 1 : State
- Level 2: Regions and Municipalities.

20. The apportionment of public responsibilities among the state, the regions and the local authorities is established by a multitude of laws adopted – and frequently revised – by the Parliament, matched by an even greater number of regulations adopted by the different ministries.

21. In order to guarantee coherency among the different fields of action and ensure high-quality public services, some responsibilities were transferred to the State under the local government reform. As a general rule, the State performs all the tasks which it prefers not to delegate to the municipalities or regions. The fields corresponding to this criterion are policing, defence, justice and the education and research sectors.

22. Where the regions are concerned, the main attributions are healthcare, economic development and the management of a number of social institutions. The regions are responsible for the following fields:

- Public health (hospitals, psychiatric services, health insurance, primary healthcare and specialised medicine);
- outpatient medicine;
- regional development plans and regional growth strategies;
- rebalancing action on behalf of the peripheral zones and rural areas;
- action against soil pollution;
- specific social services and specialised education;
- employment and economic activities;
- tourism, nature and environment;
- regional public transport (local railways and regional public bus transport).

23. The municipalities provide many of the local services accessible to citizens. The main fields of responsibility and exclusive competence on the part of the municipalities for financing, delivering and regulating social action are as follows: specialised education and the social services; primary education and educational assistance for young people; child welfare; healthcare (preventive medicine, dental care, etc.) and (non-hospital) rehabilitation; provision for the elderly; spatial planning and environment; occupational reintegration of the unemployed (job centres); integration and literacy courses for immigrants; local tax collection and complaints departments; and local highways.

24. The reform was recently assessed by a Commission made up of representatives of the Government and the associations of local and regional authorities, namely the *Kommunernes Landsfor (KL)* (or *Local Government Denmark*, hereafter "LGDK") and *Danske Regioner* respectively, mandated to decide on apportioning competences among the State, the regions and the municipalities.

25. In April 2013, this Commission presented the Ministry of the Economy and the Interior with a 250 page report and published it, calling for opinions and comments on the recommendations set out in the text. In the Ministry's view, the report shows that the reform has reinforced public services in terms of professionalism and budgetary discipline. The Ministry also points out that co-operation between the municipalities and the regions on activities for persons with very specific needs can and must be improved. The report and the opinions and comments received by the Ministry will be presented in the Parliament at the start of the examination of bills designed to introduce the improvements which the political majority in the "*Folketing*" considers necessary. In its Opinion, the Ministry said that "it is a matter for satisfaction that, in general terms, no radical changes are needed in terms of responsibilities and that only a few specific areas for improvement might be considered".

26. There are several reasons for the wide acceptance of this reform, even though it reduced the number of municipalities. The first is that the new municipalities have been assigned new competences (especially the whole social sector, including employment policy) which had formerly been exercised by the "counties", now replaced by the five regions. The second reason is that the reform was accompanied by transfers of the corresponding resources, so that the municipalities took over 15 % of the former counties' resources. In Denmark, only the State and the municipalities can levy taxes.

2.3. Local and regional government structure in Denmark

27. Article 82 of the Constitution sets out the right of municipalities to manage their own affairs independently but under State supervision. The specific rules on internal structure, financing and supervision of local and regional authorities are laid down in the 1968 Law on local self-government, which has been amended several times.

28. The 98 municipalities are members of the "Local Government Denmark" Association (LGDK), which employs some 400 persons. The LGDK wields some influence over local government planning and decision-making policy. The regions are represented by the Danish Regions (*Danske Regioner*) (approx. 170 employees). According to the LGDK, there are no hierarchical relations between the regions and the municipalities, as these authorities have different attributions and responsibilities.

29. In line with the 2007 reform (and partly with an initial reform conducted in 1970, also geared to cutting the number of municipalities), the average population of the municipalities (56 590) is much higher than the EU average (5 630). Furthermore, in 2007, it was decided that no municipality could have a population of less than 20 000. The 14 former counties were replaced by 5 regions, with populations varying between 0.6 million and 1.6 million. Municipalities wishing to avoid a merger had to sign legally binding mutual co-operation agreements under the statute specially adopted for the purpose. This statute applies to five island municipalities and to only two municipalities located in mainland Denmark. This means that the country currently has only seven municipalities with less than 20 000 inhabitants.

30. The regions are not entitled to levy taxes directly, but are funded by means of contributions from the State and the municipalities. The regional economy breaks down into three separate fields: health, social services and specialised education, and regional development.

31. The municipalities are governed by municipal councils (*kommunalbestyrelsen*), the members of which are elected by universal suffrage every 4 years under a proportional list system. Municipal councillors are elected by the inhabitants of the municipalities. According to the Law on Local Self-Government, the number of such councillors varies from 9 to 31. Only the City of Copenhagen can have up to 55 councillors.

32. As a general rule, a council establishes a "finance committee" and one or more standing committees. The council chooses the number of committees, or may decide not to set up any committees. The finance committee has access to all financial and administrative data concerning all municipal administrative departments. The finance committee can also heavily influence the work of the other committees. In addition to his other functions, the mayor also chairs the finance committee.

33. The local council elects one of its members as mayor. The mayor heads the council and the administration and is assisted by one or two deputies who are also elected by and from among the council members.

34. The regional council is the region's deliberative assembly. Its members are elected by universal suffrage on the same day and in the same way as the members of the municipal councils, also for a 4 year term. According to the law on the regions (*Lov om regioner og om nedlæggelse af amtskommuner, Hovedstadens Udviklingsråd og Hovedstadens Sygehusfællesskab*) the number of Regional Council members are 41. The regional council elects from among its members a Chair to head the council and the administration. The Chair is assisted by deputies who are also elected by the council.

35. Supervision of Danish municipalities and regions is carried out by five devolved State regional departments under the direction of the Minister of the Economy and Interior. These departments verify the legality, though not the expediency, of local and regional action. The Ombudsman supervises all government departments, and therefore has a cross-cutting role to play.

36. The municipalities and regions are governed by the same laws and they all have the same status, including the capital, Copenhagen. However, Copenhagen has a special administrative and political structure, as do three other major cities (Aarhus, Aalborg and Odense).

37. Article 42 of the Constitution permits the holding of referendums. At local level, the council has a free hand to organise local referendums on any matters falling within its remit. However, such referendums only have a consultative function.

38. The dates of municipal and regional elections are established by statute. The latest elections for the current period (2010–2013) were held on 17 November 2009⁶. The elections concerned the 98 municipalities and the 5 regions. The Social Democrat Party beat the Liberal and Conservative Parties at these elections. The turnout was 65.8 % (3.6 % less than the previous elections held on 15 November 2005).

Outcome of the 17 November 2009 municipal elections:

| Political formations | Percentage votes | Number of municipal elected representatives | Change in numbers of elected representatives 2005/2009 |
|-------------------------------|------------------|---|--|
| Social Democrat Party (SD) | 30.7 | 803 | -96 |
| Liberal Party (V) | 24.8 | 697 | -108 |
| Conservative Party (KF) | 11 | 263 | +6 |
| Socialist People's Party (SF) | 14.5 | 340 | +178 |
| Danish People's Party (DF) | 8.1 | 186 | +61 |
| Radical Liberal Party (RV) | 3.7 | 50 | -36 |
| Red-Green Alliance (E) | 2.3 | 14 | -10 |
| New Alliance(Y) | 0.3 | 1 | +1 |
| Other | 4.6 | 114 | +46 |

Source: Statistics Denmark

39. The next elections will be held on the third Tuesday of November 2013.

3. STATUS OF THE CAPITAL CITY

40. The City of Copenhagen is the largest city in Denmark, with some 562 000 inhabitants and a total area of 88.25 km² (about 10 % of the total Danish population and 0.2 % of its total territory). Copenhagen has been the capital of Denmark since 1443 and is the country's political and financial centre. The neighbouring municipality of Frederiksberg and Copenhagen Urban Community (with its 18 suburban municipalities), which make up the Enlarged Territorial Area used for the Urban Audit, have a total of almost 1.2 million inhabitants (23 % of the national population). The Copenhagen Metropolitan Region, which combines the Enlarged Territorial Area with the municipalities of Frederiksberg and Roskilde, is a geographical and infrastructural entity which houses almost one third of the country's population.

⁶ <http://www.dst.dk/en/Statistik/emner/valg/kommunalvalg.aspx>

41. In Copenhagen, 61 % of the municipal budget (47 000 million DKK, the total budget for 2012)⁷ comes from local tax, the other sources of receipts being equalisation and State contributions, which only account for 26 % of the overall budget. The Finance Committee, comprising the mayor and his/her deputies, is responsible for earmarking the municipal budget. Every August, the Committee meets to negotiate the budget for the coming year. After its approval in September, the budget is put in place by each committee in October.

42. Like all other Danish municipalities, Copenhagen has free access to the national capital market. There are, however, major restrictions on the money borrowing rights of municipalities deriving from the principle of autonomous financing by the municipalities of the activities decided on by the municipal councils.

43. In connection with the structure of the executive organ, Copenhagen (like Aarhus, Aalborg and Odense) applies a different system from that of the other Danish municipalities. In particular, they implement shared management of the political and administrative decisions for the different sectors of municipal intervention.

44. The City of Copenhagen is governed by a Municipal Council, which is the supreme political authority at municipal level and is made up of 55 members elected under a proportional system for a four-year term. The municipal council is responsible for general decision-making. Where the administrative branch is concerned, the public administration system is split up into sectors. The mayor is responsible for finances, with responsibility for the other public policy sectors shared by the six deputy mayors. The administrative structure consequently breaks down into seven committees (or departments) responsible for the different public policy sectors. Co-ordinated by the Finance Committee comprising the deputy mayors of each committee and directed by the mayor, the seven committees are responsible for implementing the functions concerning their respective fields of action, though they must observe the guidelines set out in the City master plan. Furthermore, each committee is responsible for managing the day-to-day and administrative activities in its particular sector. The committees making up the administrative branch of the City of Copenhagen are the Finance Committee, the Committee on Culture and Education, the Committee for Children and Youth, the Committee on Employment and Integration, the Health Committee, the Social Services Committee and the Technical and Environmental Committee.

45. The City is part of the Capital (*Hovedstaden*) Region, which has its own regional council. The municipal authorities of Copenhagen and Frederiksberg are exceptions vis-à-vis the usual local administration structure of Danish towns and cities. They are responsible for fields which normally fall within the remit of the regional authorities. Their attributions include hospitals and secondary schools. They also deal with primary education, social welfare and the elderly. A reform of centralised urban administration has been launched, which entails devolving part of the decision-making process to the municipal councils of the 15 districts of the City of Copenhagen. The new councils have already been set up in four districts.

46. Prior to 1 January 2007, the Municipality of Copenhagen constituted one of the Danish *amter* (counties). The metropolis of Copenhagen, or Greater Copenhagen (*Storkøbenhavn*), comprised two *amter*, Copenhagen and *Copenhagen amt*, which covered several municipalities including Frederiksberg and Gentofte. On 1 January 2007, Denmark introduced a new administrative system: the *amter* were abolished and were merged to five regions. The Municipality of Copenhagen became one of 29 municipalities in the *Hovedstaden* region and had to transfer some of its competences to the new region. According to several experts, the 2007 Reform weakened metropolitan governance. The Greater Copenhagen metropolis, including the County of Copenhagen, as well as other counties such as Frederiksberg and Frederiksberg amt, are also part of the *Hovedstaden* region. The Metropolitan Region of Copenhagen has had 33 municipalities since 2007.

47. The new strategy (the "Growth Partnership Agreement"; April 2012)⁸ in the Metropolitan Region, which is also known as the "Capital Region", was devised in consultation with the central government. It refers to the agreement concluded between the Danish Government and the Capital Region Growth

⁷ <http://www.kk.dk/da/om-kommunen/regnskab-og-budget/budgetter/budget-2012>

⁸ <http://ec.europa.eu/enterprise/policies/innovation/policy/regional-innovation/monitor/index.cfm?q=p.policy&n=16233&r=DK01>

Forum on securing a strong and co-ordinated connection between national and regional efforts to promote growth and economic development. Both parties to the agreement highlight the means of creating growth in the Capital Region. Under the agreement, the parties will co-operate in implementing specific initiatives to foster growth and economic development in such fields as sustainable energy (electric vehicles), design and architecture (partnership agreement between design centres and SMEs) and tourism. The partnership agreement stresses the importance of human capital and its development, the growth opportunities provided by the digital sector and the reinforcement of innovative and research capacities. All regions have negotiated Growth Partnership Agreement with the government – all with a focus on creating growth, but with different action areas.

48. The City of Copenhagen places great emphasis on regional co-operation and therefore also on international co-operation (for instance, there is a partnership with the Swedish city of Malmö for regional development and spatial planning).

4. THE CHARTER AND THE DANISH LEGAL SYSTEM

49. The Congress's previous recommendation pre-dates the 2007 reform. Since the latter had initiated major work in the local government field, the rapporteurs decided to base their analysis of the situation in light of the Charter from the 2007 reform rather than from the 2005 recommendation.

4.1. The European Charter of Local Self-Government in the Danish legal system

50. The Danish legal system is dualistic in nature: international conventions and treaties such as the Charter only take effect in Denmark if the Parliament adopts a law to transpose them into domestic law. This means that the Charter has no direct legal effect in Denmark. The ratification of an international legal instrument does not automatically entail its incorporation into the Danish legal system. Nevertheless, when it ratified the Charter in 1988, the Danish Government considered it unnecessary to amend existing legislation or to adopt a new law in order to fulfil the conditions of the Charter, as the laws in force in Denmark already complied with the principles and provisions of the Charter. Consequently, even though the Danish Government considers that the Charter can be directly relied upon and applied by the Danish courts and other authorities, this would not appear always to be the case in practice.

4.2. Constitutional and legislative bases of local and regional government in Denmark

51. Article 82 of the Danish Constitution of 5 June 1953 defines the framework for local self-government as follows: "The right of the municipalities to manage their own affairs independently under the supervision of the State shall be laid down by statute". The apportionment of public responsibilities among the State, the regions and the local authorities is established by various laws adopted by Parliament.

52. The provisions applicable to the functioning of the municipalities are set out in the Law on Local Self-Government. The main text of this Law was adopted in 1968 and has been amended several times over the last few years. The latest consolidated law on local self-government (*Lov om kommunernes styrelse, or Kommunestyrelsesloven*), Law No. 885 of 29 August 2012, applies to all municipalities.

53. The provisions governing the regions are set out in the latest consolidated law, i.e. Law No. 900 of 30 August 2012 on the Regions abolishing the counties, the Council for the Development of the Capital and the Association of Copenhagen hospital establishments (*Lov om regioner og om nedlæggelse af amtskommuner, Hovedstadens Udviklingsråd og Hovedstadens Sygehusfælleskab*).

54. Since 1981, successive laws on local elections have granted voting rights to all aliens who have legally resided in the Kingdom for a specified minimum length of time. Law No. 127 of 11 February 2013 on municipal and regional elections grants voting rights to aliens with a fixed address in the constituency (municipality or region) in which the election is being held, subject to fulfilment of one of the following conditions:

- holding Icelandic or Norwegian nationality;
- being a national of another EU member state;
- having resided without interruption in the Kingdom for the three years preceding the election.

55. This new law reduces by one year the requisite period of residence in the Kingdom (now three years instead of four). This measure helps integrate foreign nationals into local political life, particularly those in stable employment and paying taxes. All these provisions will apply for the first time during the local and regional elections scheduled for the third Tuesday of November 2013. All persons holding the right to vote can stand at the municipal and regional elections. The Law on local elections thus treats Icelandic and Norwegian nationals as equivalent to Danish citizens. On the other hand, it makes voting rights for other aliens conditional on a minimum period of residence, which has recently been extended by one year.

4.3. Article-by-article analysis of the situation of local democracy in the light of the Charter

Article 2 – Constitutional and legal foundation for local self-government

The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

Article 3 – Concept of local self-government

1. Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.
2. This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis of direct, equal, universal suffrage, and which may possess executive organs responsible to them. This provision shall in no way affect recourse to assemblies of citizens, referendums or any other form of direct citizen participation where it is permitted by statute.

56. The principle of local self-government is guaranteed under the Danish Constitution, Article 82 of which reads as follows: “The right of the municipalities to manage their own affairs independently under the supervision of the State shall be laid down by statute”. In legal doctrine, this article is often interpreted as being primarily a legal safeguard against the abolition of the municipalities by statute. Abolishing the municipalities would therefore require an amendment of the Constitution in accordance with the procedure set out in Article 88 thereof. Secondly, Article 82 grants the local authorities the right to manage their own affairs and their budget independently, in compliance with the legislation on the administration of municipalities and the many statutes and regulations on the various competences delegated to the municipalities by the Parliament and the Government. The legal limits on such self-government cannot, however, be precisely defined, any more, in fact, than can the restrictions and limitations imposed on the legislature (*Folketing*). This lack of clarity in the legal definition of self-government could cause problems.

57. At the same time, this article provides for administrative or State supervision of the municipal administration. Such supervision is confined to the legality of municipal and regional council decisions. It does not permit the State to pronounce on the expediency of the acts of local and regional councils. Supervision is a separate administrative responsibility of the Ministry of Economy and the Interior. There are five offices in all – one per region – responsible for supervising the relevant municipal and regional councils.

58. The safeguards set out in Article 82 of the Constitution do not apply to the regions set up under the 2007 reform. On the other hand, these regions are subject to the same general system of administrative supervision of the State as the municipalities. Prior to the reform, there were counties which held the same legal status as the municipalities and to which they were therefore comparable (in fact, they were known as *amtskommune* (“county municipalities”) in Danish). On the legal front, the abolition of the counties is considered as a reorganisation of the country’s municipalities, alongside the creation of a new territorial authority, the region.

59. There are many laws providing the regions with a wide range of freedoms as regards the management of issues falling within their remit. The municipalities have far more responsibilities than the regions and therefore enjoy greater freedom and independence. The legislation applicable to the regions accordingly provides for a lesser degree of self-governing powers and, in particular, does not permit them to levy taxes.

60. The rapporteurs conclude that all in all, the Law on Local Self-Government safeguards the scope of local self-government as set out in Articles 2 and 3 of the Charter. However, they also note that the municipalities consider that legislation is increasingly tending to reduce their autonomy, particularly owing to the weakening of legislative power under EU regulations and directives.

Article 4 – Scope of local self-government

1. The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.
2. Local authorities shall, 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.
3. Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.
4. Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.
5. Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.
6. Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

61. According to the Ministry of the Economy and the Interior, the powers and responsibilities of local authorities are not always prescribed by statute. Local authorities can manage specific tasks in pursuance of municipal decrees, which constitute a set of non-written rules and principles relating to the municipalities' non-statutory responsibilities.⁹ Initiatives relating to leisure, cultural and sports activities are classic examples of tasks (responsibilities) which, by virtue of municipal decrees, must be managed by a local authority. Such decrees follow the principle that local authorities cannot exercise profit-making activities (trade, crafts, production of goods and services, etc). Municipal decrees are subordinate to written law.

62. Municipal decrees comprise a number of vague rules which often overlap. This makes it difficult to pinpoint which fields fall within the remit of a municipality under the terms of such decrees. They generally specify that the tasks to be carried out or managed by the local authorities must have a public interest. The local authorities cannot transfer such tasks to individuals or private companies, unless provided for by law.

63. The 2007 reform was primarily based on the principle of subsidiarity, according to which the various tasks facing Danish local authorities must be assigned to the authority closest to the citizens, with due respect for the nature and budgetary and professional demands of the different tasks. Another principle of the reform was that overlapping of responsibilities should be avoided.

64. Most social welfare functions were transferred to municipalities by two major local government reforms, in 1970 and in 2007. Municipal and regional responsibilities are set out in sectoral laws (legislation on schools, social affairs, etc). These texts grant the local and regional authorities a greater or lesser degree of autonomy in deciding on the level and scope of services and benefits.

65. In some cases, framework laws provide a wide range of possible means of implementing them. Other types of law assign the municipalities or regions clearly-defined tasks, leaving the individual authorities responsible for implementing them, limited discretion. Lastly, municipalities are responsible for a number of tasks which are not specified in legislation, as well as for other duties which the State delegates to them, such as keeping civil status registers.

66. Local authorities have full discretionary powers in the exercise of most of their functions. Exceptions to this rule are certain social security benefits (including old-age pensions), some of the costs of which are covered by the central Government. According to the LGDK, the 2007 reform further reinforced municipal self-governing powers by assigning them, for instance, responsibility for such fields as planning and environment. Spatial planning and management of the environment and water resources were generally devolved to the municipalities, although responsibility is shared by the counties and the local authorities. Management of highways now comes primarily under the responsibility of the municipalities, which look after 90 % of the Danish road network.

⁹ <http://english.oim.dk/responsibilities/governance-of-municipalities-and-regions/municipal-authority-rules.aspx>

67. Some examples of highly decentralised or centralised responsibilities were brought to the rapporteurs' attention. The decentralised responsibilities include primary education, social welfare services, health, public services, environment and spatial planning and road management. The highly centralised responsibilities include supervision of foodstuffs, which has become a completely centralised function despite the two wide-ranging local government reforms. The tax administration system, which was a shared responsibility prior to the reform, has now become a centralised function exercised by the Ministry of Taxation.

68. The local authorities' right of consultation is fully respected at both regional and municipal level, and also vis-à-vis their respective associations. The municipalities, through the intermediary of their association, LGDK (which covers all municipalities), and the regions through the intermediary of their association, Danish Regions, are consulted formally, and exert their greatest influence, during the annual budgetary negotiation procedure.

69. The rapporteurs can therefore conclude that local and regional councils are fully responsible for the administration and management of their municipalities or regions, particularly in the wake of the 2007 reform, which further raised the level of local autonomy. However, it would appear that local authority responsibilities are still not provided for by law. Consequently, a number of competences laid down in municipal decrees are still fairly vague and often overlap. This makes it difficult to pinpoint which fields a municipality can manage under these decrees. The rapporteurs consider that the question of local authority competences ought to be reviewed in the light of Article 4 para.1 of the Charter.

Article 5 – Protection of local authority boundaries

Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

70. Protection of boundaries is guaranteed both by statute and in practice. Law No. 382 of 3 May 2006 on changes in local and regional boundaries and the dissolution and establishment of binding partnerships lays down the rules applicable to changes in local and regional boundaries. It stipulates that such changes must be approved by the councils of the municipalities concerned.

71. Where municipal mergers are concerned, the rapporteurs learned that municipalities which opposed mergers had the option to conclude co-operation contracts with other municipalities. Mergers are therefore basically voluntary, although there are a number of constraints. During the debate on the reform, it was decided to derogate from the general criterion of a minimum population of 20 000 for specified islands. This exception concerns five municipalities (Læsø, Fanø, Ærø, Samsø and Langeland), which have populations ranging from 1 841 in the case of Ærø (the smallest Danish municipality) to 12 861 in the case of Langeland, the most densely populated island municipality.

72. After the political negotiations leading up to the reform, two municipalities near the capital (Vallensbæk and Dragør, which have some 14 500 and 11 900 inhabitants respectively and were not included in the compulsory co-operation scheme because they are not islands) were allowed to retain their municipality status provided that they co-operated with a neighbouring municipality under the same arrangements as for the islands. Recently, the Law on co-operation among smaller municipalities was amended to facilitate co-operation with one or more non-neighbouring municipalities. This amendment was made at the request of municipalities engaged in such co-operation and in close consultation with them and with the LGDK association.

73. The protection of local authority boundaries as laid down in Article 5 of the Charter is guaranteed in Denmark.

Article 6 – Appropriate administrative structures and resources for the tasks of local authorities

1. Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.

2. The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

74. Local and regional employees account for 22 %¹⁰ of the whole Danish workforce, totalling 554 906 employees. They are either civil servants (*Tjenestemænd*) or contract employees (*Overenskomstansatte*). The latter do not hold any special legal status and their working conditions are governed by general labour law and their particular contracts. On the other hand, civil servants have a special legal status: they enjoy special protection and can only be dismissed under very specific circumstances. Since the 1990s, only the police and the defence forces have recruited staff with civil servant status. There are still a few employees holding this status in the municipalities, but they are increasingly few and far between.

75. The municipalities and regions have a free hand to define their administrative structures, the status of their staff and the arrangements for their training and remuneration. The Law on Local Self-Government contains no rules on municipal administrative structures or staff training. Nor is there any rule limiting the possibility of a local council delegating its responsibilities to municipal staff. In fact, there are very few cases where the local council or mayor are unable to delegate a decision to the administrative staff, the rare exceptions being, for instance, purchase and sale of municipal property.

76. Wages and working conditions for municipal staff are governed by legislation and under agreements concluded by employees' organisations and the LGDK. All the Danish municipalities have delegated their responsibilities in terms of negotiating with employee organisations to the LGDK. Wages and working conditions for regional staff are similarly governed by legislation and under agreements concluded by employee organisations and the Danish Regions. The five regions have delegated to Danish Regions their responsibilities in terms of negotiation with the employee organisations. Article 67 of the Law on Local Self-Government establishes an administrative council responsible for pronouncing on matters relating to remuneration and working conditions of municipal and regional staff. This council, whose members are appointed by the Ministry of the Economy and the Interior, includes four members from the LGDK, two members from *Danske Regioner*, one member from the Ministry of the Economy and the Interior and one member from the Ministry of Finance.

77. In connection with training for local councillors, Denmark has an inter-municipal institution known as Local Authority Training and Enhancement, which organises courses for the newly elected councillors.

78. In the rapporteurs' view, the administrative structures and resources would appear to be appropriate for the tasks performed by Danish local authorities, as required by the Charter.

Article 7 – Conditions under which responsibilities at local level are exercised

1. The conditions of office of local elected representatives shall provide for free exercise of their functions.
2. They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.
3. Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.

79. Danish legislation provides for the free exercise of the functions of local elected representatives. In most municipalities, the only elected representatives considered as exercising their functions full-time are the mayors, while other municipal councillors generally devote about fifteen hours per week to their functions. The 2007 local government reform decreased the number of municipal councillors from 4 597 to 2 520. Moreover, since 2007 municipal councils have been required to make public the different types of remuneration paid to their members, including both payments resulting from the exercise of their functions and those received by the persons in question from other sources.

80. According to Article 16 of the Law on Local Self-Government, members of local councils must receive regular remuneration. Mayors, aldermen and regional council chairs receive an allowance corresponding to a full-time occupation; standing committee chairs receive an allowance

¹⁰ Memorandum from Local Government Denmark:
http://www.kl.dk/ImageVault/Images/id_43722/ImageVaultHandler.aspx

corresponding to the salary of a part-time employee. The other local and regional council members receive an annual allowance calculated on the basis of the size of the authority in question and the work performed by the committee. Mayors, aldermen and regional council chairs are entitled to a private pension after at least one year in office. Mayors, aldermen, regional council chairs and local council committee chairs are entitled to an allowance for several months after their term of office, calculated on the basis of the length of the latter. Legislation also contains provisions on travel allowances, expenditure relating to a physical disability, etc.

81. The Ministry of the Economy and the Interior establishes the modalities of remuneration. This remuneration is made public, as are the salaries of persons employed by state-owned enterprises to meet the needs of the municipality. The LGDK periodically examines the amount of the remuneration paid, in order to ensure that it has not been devalued by inappropriate indexing mechanisms.

82. The Law on Local Self-Government contains rules geared to preventing any conflict of interest where an individual is both a local councillor and a member of the municipal administration. For instance, a mayor cannot be employed by the municipality or supply it with goods. The mayor and aldermen of a municipality cannot simultaneously chair a regional council. Apart from this restriction, local council members can hold other elective offices such as membership of a regional council or Parliament.

83. The provisions geared to preventing conflicts of interest apply to all elected representatives. The rules on activities incompatible with an elected mandate are set out in the Law on municipal elections. They are in conformity with general Danish legal principles and are generally unobjectionable.

84. The rapporteurs conclude that the conditions for the exercise of responsibilities at the local level set out in Article 7 of the Charter seem generally to be respected in Denmark from both a theoretical and a practical point of view. The rapporteurs heard no criticism in this regard during their visit.

Article 8 – Administrative supervision of local authorities' activities

1. Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.
2. Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may however be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.
3. Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

85. Administrative supervision of local and regional authorities takes several different forms. First of all, Article 82 of the Constitution provides for State supervision of municipalities, and secondly, Chapters VI and VII of the Law on Local Self-Government set out the rules applicable to such supervision. Furthermore, the municipalities and regions are subject to inspection by the Ombudsman.¹¹ The highest supervisory body is the Ministry of the Economy and the Interior.

86. Supervision operates at two levels: firstly the *Statsforvaltninger* (State administrations) provide for devolved central supervision in five cities (one per region); they supervise the legality of decisions taken by municipal and regional councils. The supervision exclusively targets the legality of decisions and legislation on government departments, including regulations adopted by the municipal or regional councils for their own administration. The *Statsforvaltninger* supervise neither labour regulations nor any fields that can be dealt with by special public bodies.

87. Secondly, the Ministry of the Economy and the Interior supervises the legality of decisions taken by municipalities and regions in the same legal fields as the five *Statsforvaltninger*. The Ministry is also empowered to annul or modify sanctions ordered by a *Statsforvaltning*. This role played by the Ministry in “judging” legality has attracted controversy and criticism. It has been suggested that it might be replaced with a kind of administrative court in order to avoid speculation about the reasons behind any controversial or unexpected decisions from the Ministry. Even though the organisation of first-level

¹¹ The Ombudsman Act, Section 7 (Law N° 473 of 12 June 1996).

supervision is to change over the next few years, to involve five agencies working in parallel to the single agency which will be based outside the capital and will be responsible for supervising all municipalities and regions nationwide, the question of ministerial powers has not been mentioned in connection with this change.

88. In accordance with legislation, special supervisory or appeal boards have been set up in a wide variety of fields in order to verify local authority decisions and the execution of their tasks and to consider complaints in this regard.

89. The cases dealt with by the supervisory authority are usually the subject of a consultative declaration in which the authority provides a legal opinion on the case in question. The supervisory authority informs the local council of its responsibilities under current legislation. It can also impose sanctions for decisions taken by a local council or against specific councillors having colluded in an illegal municipal act. The sanctions available are annulment, suspension, fines and actions for damages. According to various interlocutors, the sanctions are very seldom used.

90. The supervisory authority can bring an action for damages against the members of a local or regional council responsible for a loss suffered by the municipality or region as a result of an illegal decision or action.

91. In addition to supervision of legality, auditors must verify the accounts of all local and regional authorities. In the case of most authorities, this role is played by the Local Authority Auditing Service, an inter-municipal body operating under the association of local authorities, or by a private company.

92. The municipalities and regions must therefore transmit their audited accounts to the supervisory board (*Statsforvaltning*) so that it can verify whether the municipalities' and regions' activities are in conformity with current legislation.

93. In June 2007 Parliament adopted a Law amending the Law on local and regional authority audits, in order to confer greater independence on the auditors. The amendment came into force on 1 January 2012.

94. The general provisions of Danish legislation on supervision of local authorities by the higher levels are in conformity with Article 8 of the Charter. Similarly, the supervision as actually effected would seem to comply fully with the aforementioned provision.

Article 9 – Financial resources of local authorities

- | | |
|---|---|
| 1 | Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers. |
| 2 | Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law. |
| 3 | Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate. |
| 4 | The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks. |
| 5 | The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility. |
| 6 | Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them. |
| 7 | As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction. |
| 8 | For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law. |

95. In the area of financial resources and budgets, Danish municipalities enjoy great freedom with regard to their revenues and financial management of their resources. The financial equalisation system in Denmark is based on the size of local authorities' structural surplus/deficit, i.e. on the difference between the municipality's revenues calculated on the basis of an average rate of taxation and its spending needs. In the case of the financially weakest municipalities, equalisation thus guarantees certain uniformity in the level and quality of services. Furthermore, the system for allocating the financial resources needed to carry out a public task is based on the "expanded total balance" principle (*Det Udvidedede Totalbalanceprincip (DUT)*), which guarantees a balance between the tasks assigned to municipalities and their financial resources. The "DUT" balance principle means that the state allocates funds to municipalities and regions in line with trends in their expenditure. The operation of the principle is based on the total State grant, which may be increased or reduced depending on whether or not certain responsibilities are delegated to municipalities and regions. The "DUT" principle covers both expenditure and revenue.

96. Where budgets are concerned, Denmark has a budget guarantee system (*Budgetgarantien*) for local authorities under which the grants awarded to municipalities reflect the cyclical variations in their costs. The aim is to protect municipalities from cyclical expenditure. Hence, the total grant paid to local authorities is adjusted annually in line with the variation in total expenditure, less expenditure meaning a smaller grant. The budget guarantee covers the net expenditure of the worst affected municipalities, thus guaranteeing that the local authorities concerned continue to discharge their responsibilities.

97. The regions do not have financial resources of their own. Their revenues are derived to a large extent from the State and to a lesser extent from the local authorities, as the regions have the right neither to levy taxes nor to borrow from the national capital market. The association of regions regrets that the recently adopted budget law put an end to the debate on granting the regions the right to levy taxes.

98. The financial resources allocated to local authorities for the discharge of their responsibilities are governed by law *LBK* no. 797 of 27 June 2011 on local and regional finances (*Bekendtgørelse af lov om regionernes finansiering*). The financing of Denmark's regions rests on three main pillars: the health sector (which includes hospitals and health insurance), regional development and educational and social institutions. The health sector accounts for roughly 90% of the total budget of regional expenditure. As a matter of principle, the budget earmarked for one of these fields cannot be used in the other two.

99. Regional funding is derived from state grants and local authority contributions. The health sector, for example, is financed by State reimbursements (block grants), State grants and contributions subject to local authority activity.

100. Public deficits have increased (2.7% of GDP in 2009) after several years of surplus. Local authority finances in particular are in deficit. A third of municipalities have balanced their finances by drawing on their reserves, while in the other cases the State has sometimes had to take over financial responsibility and place the local authorities under supervision. After a major shortfall in financing in 2010, some 600 million DKK were reportedly needed to balance the books in 2011.

101. Local authority expenditure is particularly high. In 2010 it accounted for 38% of GDP and 65% of all public spending. The municipalities receive tax revenues (mainly from income, corporation and land tax), State grants and proceeds from services. Income tax is the main source of local authority revenue (over 70%).

102. According to the Ministry of the Economy and the Interior, the budgetary situation of local authorities has been reversed since 2011, going from deficit to surplus. In 2012, the cost of municipal services was 5.3 billion DKK less than the amount budgeted for that year. The 19.5 billion DKK of gross capital expenditure funded from taxation in 2012 was also lower than expected, although the level remains high.

Local authority activities – comparison between the 2012 budget and the 2012 accounts

| In billion DKK, 2012 financial year | 2012 budget | 2012 financial year | Difference (in billions) | Difference (in %) |
|---|-------------|------------------------|-----------------------------|----------------------|
| Total expenditure on services | 229.9 | 224.7 | -5.3 | -2.3 |
| Transfer expenditure | 59.8 | 60.0 | 0.1 | 0.2 |
| Unemployment benefit | 15.4 | 14.7 | -0.7 | -4.6 |
| Gross capital expenditure | 20.7 | 19.5 | -1.2 | -5.8 |
| - Of which prime investment funds | 7.7 | 7.5 | -0.1 | -1.8 |

Source: Danish Finance Ministry statistics and own calculations.

103. The main state grant represents $\frac{3}{4}$ of the health sector's expenditure, which totalled nearly 81.5 billion DKK in 2012. This grant is calculated, on the one hand, from a base amount linked to population size and, on the other, from a number of objective criteria taking account of each region's spending needs, including the average age of the population and the socio-economic structure.

104. Municipal financing varies from one municipality to another, depending on the size of their population. There is a complex grant and equalisation system designed to offset disparities between municipalities and thus guarantee the discharge of their responsibilities and the delivery of services to citizens.

105. Local authority revenues are derived from taxation, and specifically from the following taxes:

- income tax;
- land tax;
- corporation tax;
- other taxes and charges.

106. Income tax and land tax are local taxes. Local income tax is collected by the State at the same time as national income tax, whereas land tax is collected directly by the local authorities. The local authorities are free to set the rate of income tax or the rate of tax levy. The local authorities assess land tax according to the value of the land. In municipalities, the municipal council sets the rate of land tax.

107. Tax rates are decided by the municipal councils themselves within the limits laid down by law and defined in the annual negotiations between the Ministry of Finance and the LGDK). The government has significantly tightened these limits several times in the last few years, following the economic crisis of 2008.

108. Some properties can be exempted from land tax, such as private schools, not-for-profit institutions, sports facilities and museums.

109. The system for allocating the financial resources needed to carry out a public task is based on the "expanded total balance" principle, which guarantees a balance between the tasks assigned to municipalities and their financial resources. This principle is known in Danish as *Det Udvidede Totalbalanceprincip* or DUT, as explained in para. 94. The cost of a new task is calculated initially by the relevant Ministry, and then submitted to the LGDK. If the association disagrees with the calculation, the matter is considered by a group of civil servants and, if necessary by the relevant Minister and the Chair of the LGDK. The sums allocated in this way are calculated on the basis of averages and, consequently, the sum awarded to a given municipality is not always commensurate with local needs. However, local authorities are free to use both the sums allocated via the DUT and their own tax revenues as they wish, which means that the system works properly in practice. The payments due to the regions/local authorities under the DUT, is effected as part of the payout of the grant from the State.

110. Any changes of rules both in form of laws, regulations and circulars and also recommendations and guides can modify the amount of the State's grants to regions/local authorities. Also judgments from administrative courts or from the ordinary courts creating a new legal situation can modify the existing level of grants. It is thus not the formal basis of a change of regulation, but the real effect that is determinant.

111. A new financial equalisation system was introduced in 2007. Financial equalisation is based on the size of local authorities' structural surplus/deficit, i.e. on the difference between the municipality's revenue calculated on the basis of an average rate of taxation and its spending needs. One of the aims of the Danish grant and equalisation system is to reduce the variations in "tax value" observed from one municipality to another. This "tax value" (or tax/service ratio) is defined as the ratio between the volume of expenditure corresponding to the public services provided and the tax levied. The differences in tax/service ratios may be due to the fact that the per capita cost of a given service differs from one municipality to another. To make a concrete assessment of spending needs, several factors have to be taken into account, such as the number of children not yet of school age, the number of children attending school, the number of elderly persons etc. Tax variations may also be explained by differences in the tax base, which reflects the value and revenue potential of the municipality's landed properties. Without equalisation, there would be very large differences in the tax/service ratio from one municipality to another, i.e. considerable differences in the standard of service, tax pressure or both of these parameters. Hence, a municipality with a broad tax base or low expenditure could set a low rate of taxation and nevertheless be able to offer a high standard of service, whereas a municipality with a narrower tax base or high expenditure would have to set a high rate of taxation in order to be able to offer an acceptable standard of service.

112. Local authority budgets are negotiated each year between the association of municipalities and the central government and laid down in an agreement in which the government also takes account of the implications of the economic crisis for local authorities, such as unemployment, youth employment programmes etc. Except for investment in public services or in priority areas of their political programme, local authorities require prior authorisation from the Ministry of the Economy and the Interior to contract loans. If local authority expenditure exceeds the annual budget, the government can impose penalties, such as a reduction in the central government contribution for the following year.

113. The regions cannot make free use of their resources, which are divided into three sections corresponding to their three major areas of responsibility. The regional councils are obliged to respect that division. Because local authority budgets account for a large proportion of public spending, the State's increasingly strict oversight of local budgets as a result of the crisis is generally well accepted, not only by the Parliament, but also by the population at large.

114. There are legal restrictions relating to investment, borrowings, tax and staff, introduced under agreements concluded freely between the central government and the LGDK and *Danske Regioner* (Danish Regions).

115. The grants awarded to local authorities are of two types: earmarked grants and block grants. The former are intended to finance specific items of expenditure, while the latter have no specific purpose. Local authorities may also receive grants awarded under the statutory financial equalisation arrangements.

116. One of the aims of the Danish grant and equalisation system is to reduce the variations in "tax value" (or the tax/service ratio). This is the ratio between the standard of service provided and the tax levied.

117. The other sources of revenue consist mainly of charges and duties. The most important of these are:

- public services: local authorities provide public services (sewage disposal, waste disposal, gas, electricity, heating and water supply);
- private and public nurseries: the cost to parents is laid down by law;
- care for the elderly: elderly persons housed by the municipality are required to pay a rent, and also their electricity and heating.

118. Other revenue is derived from the return on capital and investments, and chiefly from the sale of property and net financial interest.

119. Local authorities have access to the capital market, but in this area they are subject to strict oversight by the State, which monitors local authority investments to ensure that local budgets are consistent with national needs and requirements.

120. The Danish public sector is heavily influenced by methods originating in the private sector (new public management). Local authorities and regions can set up local public enterprises; the State supports all kinds of public-private partnerships. However, there are many limits to be observed when setting up public enterprises: these include rules guaranteeing that local authority and regional tasks remain under the responsibility of local and regional councils and, furthermore, that the rules of competition are complied with.

121. The rapporteurs conclude that Article 9 of the Charter is partially complied with in Denmark. From the standpoint of Article 9 para.2, it would seem that responsibilities in respect of the health sector are prioritised in relation to other responsibilities, in terms of the allocation of resources. As regards Article 9 para.3 of the Charter, the regional level does not have the right to determine the rate of taxes, a fact which is criticised by the Association of Regions. Furthermore, the number of responsibilities assigned to the regions is very small, and their room for manoeuvre is even smaller since they do not have financial resources of their own. The financial equalisation system does not fully satisfy the needs of local authorities and warrants improvement. Lastly, with regard to Article 9 para.8, access by local authorities to the capital market is subject to sometimes strict state oversight.

Article 10 – Local authorities' right to associate

- 1 Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.
- 2 The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.
- 3 Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States.

122. The right of association of local authorities is generally respected in Denmark. It is, however, limited to practical functions. Functions involving administrative decisions on citizens' rights and obligations cannot be delegated to other public authorities or to private bodies. Under the basic legal principles governing public administration, exceptions to this rule are possible only where specifically provided for by law.

123. Co-operation between two or more municipalities is provided for by law in some fields, such as fire fighting and protection against accidents.

124. It is also possible for local authorities to co-operate with private enterprises in the form of limited-liability companies and, sometimes, under partnerships. Such co-operation activities generally concern the supply of natural gas and electricity, waste collection and disposal services, food hygiene laboratories and public transport.

125. Consortia of local authorities run by a specially set-up body are, despite their independence, public services, even where they are set up as private enterprises under partnerships.

126. The only limit on the possibility of forming an association is the purpose of the association, which must be consistent with the role and responsibilities of local authorities. For example, a Danish municipality does not have the right to join an association campaigning at international level against nuclear power because, in Denmark, this question is outside the sphere of competence of local authorities.

127. The rapporteurs consider that Article 10 of the Charter is complied with in Denmark.

Article 11 – Legal protection of local self-government

Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

128. Local authorities have a right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.

129. During its discussion with the Supreme Court, the delegation was able to see that Article 11 is guaranteed in practice. The rapporteurs were told that there is a presumption of compliance with the Charter in Denmark. This rule means that Danish law has to be in conformity with the principles laid down in the Charter. It also means that, in practice, a municipality can allege an infringement of one of its rights on the basis of the text of the Charter itself. It was made clear to the rapporteurs that, in Denmark, the Charter is regarded as a basic text around which domestic law has been built – obviously as regards the local self-government aspects.

130. Legal protection of local self-government is generally guaranteed. However, compared with the number of cases where there is a disagreement, it is rare for a municipality to bring legal proceedings to enforce its rights vis-à-vis the State. In the event of a local authority applying to a court to enforce a right derived from the application of a principle of the Charter, the LGDK supports the local authority in order to draw the court's attention to the general scope of the case.

Article 12 – Undertakings

- 1 Each Party undertakes to consider itself bound by at least twenty paragraphs of Part I of the Charter, at least ten of which shall be selected from among the following paragraphs:
 - Article 2,
 - Article 3, paragraphs 1 and 2,
 - Article 4, paragraphs 1, 2 and 4,
 - Article 5,
 - Article 7, paragraph 1,
 - Article 8, paragraph 2,
 - Article 9, paragraphs 1, 2 and 3,
 - Article 10, paragraph 1,
 - Article 11.
- 2 Each Contracting State, when depositing its instrument of ratification, acceptance or approval, shall notify to the Secretary General of the Council of Europe of the paragraphs selected in accordance with the provisions of paragraph 1 of this article.
- 3 Any Party may, at any later time, notify the Secretary General that it considers itself bound by any paragraphs of this Charter which it has not already accepted under the terms of paragraph 1 of this article. Such undertakings subsequently given shall be deemed to be an integral part of the ratification, acceptance or approval of the Party so notifying, and shall have the same effect as from the first day of the month following the expiration of a period of three months after the date of the receipt of the notification by the Secretary General.

131. Denmark has ratified the Charter in its entirety, excluding only the two autonomous regions of the Faroe Islands and Greenland from its application. The central authorities consider that the decision on acceptance of the Charter and its entry into force on their territory lies solely with these two autonomous regions, whereas Article 15 of the Charter provides that only member States of the Council of Europe (and not autonomous regions) may sign the Charter. The representatives of the Faroe Islands and Greenland whom the rapporteurs met during the visit did not rule out the possibility that the Charter might apply on their territory one day.

5. REGIONAL DEMOCRACY: THE REFERENCE FRAMEWORK FOR REGIONAL DEMOCRACY AND ANALYSIS OF THE SITUATION FROM THIS STANDPOINT

132. The current regional structure stems mainly from the reform of 2007, the primary objective of which was to improve the quality of the health system in all regions of the country.

133. As we have seen, the number of responsibilities assigned to the regions is very small, and their room for manoeuvre is even smaller since they do not have financial resources of their own. Their revenues are derived to a large extent from the State and to a lesser extent from the local authorities, as the regions have the right neither to levy taxes nor to borrow from the national capital market. The *Danske Regioner* regrets that the recently adopted budget law put an end to the debate on granting the regions the right to levy taxes.

134. Furthermore, the State's financial contribution is mandatorily linked to one of the three major sectors of responsibility of the regions and cannot be transferred from one sector to another, which means that the regions cannot decide on the overall management of their finances by defining their own specific priorities.

135. As a general rule, the regions' financial resources correspond to their needs, apart from a few special cases such as expenditure on medication and other medical prescriptions.

136. The ceiling on contributions, which is established for four years, also presents a specific challenge because of constantly increasing health expenditure. This ceiling also applies to financial equalisation, the effect of which is consequently limited. Moreover, there is no official political debate on increasing the financial contribution in favour of the regions.

137. The regions are not allowed to borrow on the capital markets to cover their expenditure on public services, and the borrowing possibilities for the purposes of investment are limited.

138. The right of association of the regions and their right to co-operate on a shared goal are fully guaranteed.

139. The municipalities and the regions co-operate smoothly in order to achieve shared goals and to perform shared tasks effectively.

140. The right of consultation of the regions and their association is fully guaranteed and respected.

6. CITIZEN PARTICIPATION IN LOCAL POLITICAL LIFE

141. Citizen participation, which has long been practised in a variety of forms in Denmark, was retained and even expanded during the 2007 reform, despite the reduction in the number of municipalities and counties.

142. "Citizen summits" and "citizen councils" on such themes as health or spatial planning should be mentioned as examples of good practices.

143. Citizen councils have a free hand to organise local referendums on any issues falling within their remit, although referendums only have consultative force.

144. It must be stressed that participation in local elections (a right granted in 1981) is only one of the many ways of participating in local political life. Participation enables citizens to help define municipal political priorities.

7. CONCLUSIONS AND CONTINUATION OF THE MONITORING PROCEDURE

145. The rapporteurs would like to emphasise the generally positive (and in some ways exemplary) nature of local democracy in Denmark as described in the present report. They welcome the good practices observed (e.g. mergers which can be transformed into co-operation agreements where the municipalities concerned do not wish to merge, consultations with local authorities during planning and decision-making procedures directly affecting them, and citizen participation in local public life), which are worth quoting as examples and which other Council of Europe member States might consider transposing into their own setting. The delegation had the feeling throughout its visit that there was a "Charter culture" as regards the implementation of the principles enshrined in the Charter in local government affairs.

146. The main aim of the 2007 reform was to reinforce local democracy in Denmark, and in particular ultimately to create an effective public sector, to provide social services at the level closest to the citizens and to establish clear responsibilities for each body, without overlapping.

147. All in all, this reform was very well accepted, despite the reduced number of municipalities. Its success was due to several factors: first of all, the new municipalities were assigned new responsibilities (e.g. the whole social sector, including employment policy) which had formerly been exercised by the old "counties", replaced by five regions; secondly, the reform was accompanied by transfers of the corresponding resources. The municipalities also recovered 15 % of the old counties' resources.

148. In connection with the other objectives of the reform, namely improving the public sector (efficiency, quality and preparedness for future challenges), an evaluation board made up of representatives of several ministries and the associations of municipalities and regions conducted an evaluation process which ended in January 2013. The delegation's interlocutors confirmed that this evaluation work had been carried out meticulously and in a participatory manner.

149. The Charter has no direct legal effect in Denmark. The Danish legal system is dualistic in nature: international conventions and treaties such as the Charter only take effect in Denmark if the Parliament adopts a law to transpose them into domestic law. The ratification of an international legal instrument does not automatically entail its incorporation into the Danish legal system. Nevertheless, when it ratified the Charter in 1988, the Danish Government considered it unnecessary to amend existing legislation or to adopt a new law in order to fulfil the conditions of the Charter, as the laws in force in Denmark already complied with the principles and provisions of the Charter. Consequently, even though the Danish Government considers that the Charter can be directly relied upon and applied by the Danish courts and other authorities, this would not appear always to be the case in practice.

150. The principles of the Charter are fairly well respected in Denmark, particularly Articles 2, 3, 5, 6, 7, 8, 10 and 11. However, some points would be worth reviewing, including Article 4 para.1 on powers and responsibilities. It would appear that local authority responsibilities are not always laid down by statute. For instance, a number of responsibilities provided for in municipal decrees are fairly vague and often overlap. This makes it difficult to pinpoint the areas of responsibility of local authorities under these decrees. The rapporteurs therefore consider that the question of local authority responsibilities should be examined in the light of Article 4 para.1 of the Charter.

151. The rapporteurs consider that some of the paragraphs of Article 9 ought to be examined. From the angle of Article 9 para.2, responsibilities in the health sector would appear to be prioritised over the other competences in terms of attribution of resources.

152. The Danish financial system is well structured, and financial equalisation (Article 9.5 of the Charter) also provides facilities for the less well-off municipalities. However, the ceiling on contributions established for a four-year period does not really meet the needs of the municipalities, and especially those of the regions. In connection with Article 9.8 of the Charter, some of our interlocutors mention that the State sometimes strictly supervises municipal access to the capital markets.

153. The City of Copenhagen has been greatly affected by the reduction of its powers and responsibilities, having had to yield some of its competences to the new region. According to several interlocutors, the 2007 reform weakened the governance of the capital city. The delegation considers that the application of the proposals set out in Congress Recommendation 219 (2007) would be beneficial for the development and the economy of the capital city.

154. Where the regions are concerned, the delegation is convinced that they have insufficient autonomy to take up future challenges because they have restricted powers and responsibilities and cannot levy taxes or obtain financial resources other than contributions.

155. During its visit, the delegation noted a high level of participation by Danish citizens in the political decision-making processes. The 2007 reform does not seem to have weakened citizen

participation, and all our interlocutors even pointed out that the reform had had the opposite effect and that a wide range of models for participation had been successfully implemented in the country. On the other hand, despite the felicitous participation framework, which provides an example of "good practice", a small minority of interlocutors nonetheless mentioned a slight drop in citizen interest in participating in political life, particularly among young people.

Appendix 1 – Programme of the Congress monitoring visit to Denmark (3-5 October 2012)

CONGRESS MONITORING VISIT TO DENMARK
Copenhagen, Dragør, Sorø and Maribo
3 – 5 October 2012

PROGRAMME**Congress delegation:**Rapporteurs:

| | |
|--------------------------|---|
| Ms Julia COSTA | Rapporteur on Local Democracy Chamber of Local Authorities, EPP/CD ¹² Member of the Congress Monitoring Committee Mayor of Caminha (Portugal) |
| Mr Jean-Pierre LIOUVILLE | Rapporteur on Regional Democracy Chamber of Regions, SOC ¹³ Member of the Congress Monitoring Committee Vice-President of the Regional Council of Lorraine (France) |

Consultant:

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| Ms Esther MAURER | Consultant, member of the Group of Independent Experts on the European Charter of Local Self-Government (Switzerland) |
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Secretariat of the Congress:

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| Ms Stéphanie POIREL | Secretary to the Congress Monitoring Committee |
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¹² EPP/CD: Group European People's Party – Christian Democrats of the Congress

¹³ SOC: Socialist Group of the Congress

**Wednesday, 3 October 2011
Copenhagen**

Joint meeting with the members of the Danish Delegation to the Congress and representatives of the Danish associations of local authorities

- **Danish Delegation to the Congress**

- Mr Knud ANDERSEN, Head of the Danish Delegation to the Congress, Member of the Council of the Capital Region
- Mr Kirstine BILLE, Member of Syddjurs Municipal Council
- Mr Karin DUBIN, Member of the Council of the Capital Region
- Ms Annelise KORREBORG, Secretary of the Danish Delegation to the Congress

- **Local Government Denmark Association (LGDK)**

- Mr Søren Pape POULSEN, Chair of the Committee on International Affairs
- Ms Annemette FROST, Principal Adviser

- **Association of Danish Regions**

- Mr Adam WOLF, Secretary General
- Ms Annelise KORREBORG, Principal Adviser

City of Copenhagen

- Mr Jesper CHRISTENSEN, Member of the Municipal Council, member of the Finance Committee

Capital Region and members of the Öresund Committee

- Ms Vibeke STORM RASMUSSEN, Chair of the Council of the Capital Region, Chair of the Executive Committee of the Capital Region, Co-Chair of the Öresund Committee
- Mr Kim HØGH, Deputy Executive Director

Office of the Danish Parliamentary Ombudsman

- Mr Jon ANDERSEN, Director of the European Law Department

**Thursday, 4 October 2012
Copenhagen**

Ministry for the Economy and the Interior

- Ms Margrethe VESTAGER, Minister for the Economy and the Interior

Ministry of the Economy and the Interior

- Mr Niels Jørgen MAU PEDERSEN, Head of the Local and Regional Economy Department
- Mr Hans B. THOMSEN, Head of the Legal Affairs Department

- Mr Christian VIGH, Head of the Local and Regional Legal Affairs Division
- Mr Søren Hansen THOMSEN, Head of the Public Administration Division
- Mr Jesper L. GRADERT, Head of Section

Ministry of Finance

- Mr Jens Gordon CLAUSEN, Permanent Deputy Secretary of the Ministry
- Mr Søren Hartmann HEDE, Head of the Local and Regional Economy Department

Danish Parliament

- Mr Mogens LYKKETOFT, Parliamentary Speaker
- Mr Mike LEGARTH, Vice-Chair of the Committee on Local Self-Government
- Mr Claus DETHLEFSEN, Permanent Deputy Secretary
- Mr Søren KOUSHEDE, Head of Secretariat
- Ms Marianne T. AMMITZBØLL, Personal Assistant to the Parliamentary Speaker
- Mr Finn Skriver FRANSEN, Secretary of the Committee
- Ms Ane ELMOSE, Secretary of the Committee

Supreme Court of Denmark

- Mr Børge DAHL, President of the Supreme Court
- Mr Anders Strange SCHÄFER, Legal Advisor

Greenland and Faroe Islands

- Mr Sigmundur ÍSFELD, Representative of the Faroe Islands in Copenhagen
- Ms Tove S. PEDERSEN, Representative of Greenland in Copenhagen

Meeting with Prof. Vibeke Marie Agnete VINTEN,

Member of the Group of Independent Experts on the European Charter of Local Self-Government, Head of the Legal Affairs Department, Local Government Denmark Association (LGDK)

**Friday, 5 October 2012
Copenhagen, Dragør, Sorø and Maribo**

Dragør Municipality

- Mr Allan HOLST, Mayor of Dragør
- Ms Pernille LUNDQVIST, Deputy Mayor
- Mr Michael SCHROEDER, Executive Director of Dragør Municipality

South Zealand Region

- Mr Steen Bach NIELSEN, Chair of the South Zealand Region Council
- Mr Jens ANDERSEN, Executive Director of the South Zealand Region
- Ms Ane BEPLER, Head Consultant

Lolland Municipality

- Mr Stig VESTERGAARD, Mayor of Lolland
- Mr Torben HANSEN, Deputy Mayor
- Ms Hanne MØLLER, Second Deputy Mayor
- Mr Gert MORTENSEN, Member of the Local Council
- Mr Hans Ole SØRENSEN, Member of the Local Council
- Ms Jorun Johnsdottir JOENSEN, Member of the Local Council

- Ms Marie Louise FRIDERICHSEN, Member of the Local Council
- Ms Marie-Louise BREHM NIELSEN, Member of the Local Council
- Ms Winnie ELMGREEN, Member of the Local Council
- Mr Tom LARSEN, Member of the Local Council
- Ms Marianne DE LA MOTTE, Member of the Local Council
- Ms Vibeke GRAVE, Member of the Local Council
- Mr Thomas KNUDSEN, Executive Director of Lolland Municipality
- Mr Lars GRAM, Head of the Mayor's Office and Responsible for Services to the inhabitants