Evaluating Municipal Mergers’ Effects
A Review of Amalgamation Studies in the Netherlands

Panel: Local Politics 2: The scale debate at the local level in a comparative perspective

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Warning and request
This is about the same paper as we presented at last year’s PSA Conference. It is also a draft article, yet to submitted. We therefore appreciate suggestions for improvements.

Abstract
Many European countries have gone through processes of amalgamation of municipalities that have fundamentally changed the face of local governance. The question how to assess outcomes of amalgamations has remained under-explored. In this paper, we review the collection of evaluation studies that are available in the Netherlands, which has a long history of evaluating amalgamation outcomes. Those studies show that amalgamations have consistently not produced the increase in the system capacity of local government that policymakers anticipate and that scale economies should not be taken for granted. The negative effects of amalgamation on citizen effectiveness seem to be more evident. The authors evaluate the quality of existing studies and point to the need for a reconsideration of the study of amalgamation, because the importance of municipal size has been overestimated and evaluation methods can be improved substantially.

Key Words: Amalgamation, local government, jurisdiction size, system capacity, citizen effectiveness, evaluation studies
1 INTRODUCTION

Policymakers across Europe have perceived the merger of municipalities as a means of increasing the governing abilities, or ‘system capacity’ of local government. Amalgamation has been one of the most widespread institutional reform strategies implemented with the hope of increasing system capacity (Baldersheim and Rose 2010: 6; Schaap et al. 2010: 154). Consequently, the average number of inhabitants per municipality has dropped significantly in many European countries (De Ceuninck et al. 2010: 809). The effects of municipal mergers, however, have not yet been evaluated systematically. At the very least, the results of existing studies are inconclusive. In addition, evaluations tend to focus only on system capacity and often neglect its counterpart ‘citizen effectiveness’, which refers to citizens’ abilities to ‘responsibly and competently fully control the decisions of the polity’ (Dahl and Tufte 1973: 20).

Since the economic and fiscal crises have put new pressures on reforming local governments to increase efficiency and since European local democracies face sharp public criticism (Daemen and Schaap 2012; Denters et al, 2014), it is well worth analysing the effects of amalgamation in more detail from both perspectives. There is, however, one issue that needs to be addressed before we can usefully analyse amalgamation effects and that is the question how we can reliably assess the outcomes of amalgamations as regards both system capacity and/or citizen effectiveness. In this article, we review a number of studies that have assessed outcomes of amalgamations in the Netherlands that have occurred over the last three decades. The Netherlands has considerable experience in amalgamations since the mid-nineteenth century and, other than most European countries, it has a long tradition of evaluating the effects of amalgamations (in terms of both system capacity and citizen participation). Moreover, different methods have been applied in such studies. These facts make the Netherlands a ‘revelatory case’ (Yin 2014) for studying the approaches in evaluation studies regarding outcomes of amalgamations. In this article, we review and discuss the collection of evaluation studies that are currently available, and the results of those studies in the Netherlands, larded with characteristics of studies conducted in other European countries.

First of all, we discuss the rationale behind amalgamation policies (section 2). Second, we briefly describe the developments in the scale of Dutch local government, and Dutch amalgamation policies. It turns out, that the considerations supporting those policies equate the rationale of amalgamation policies in general (section 3). In section 4, we assess Dutch studies into the results of amalgamations, and studies on size effects as such. The results of such studies we present in section 5 in which system capacity and citizen effectiveness are discussed respectively. The implications of our findings are discussed in section 6.

2 THE RATIONALE BEHIND AMALGAMATIONS

The proper size of government and especially that of local authorities is a topic that has been on scholars’ and practitioners’ agenda for a long time (Newton 1982; King and Ma 2000; Goldsmith and Rose 2002; Baldersheim and Rose 2010; Karlsson 2013: 8; Denters et al, 2014). Ever since Dahl and Tufte’s (1973) seminal study ‘Size and democracy’, academics cannot ignore tensions between administrative efficiency and viability of local democracy and participation in relation to the scale of government units. Whereas the former seem to demand larger units of government, the latter benefit from smaller units of government. The dual nature of local government as both a locus of democracy and a public service provider makes it more difficult to answer the question what the optimal size of local government should be, if such a question can ever be answered. Any which
way, the politics of territorial choice forms a highly relevant field of research (Keating 2008; Baldersheim and Rose 2010) that can benefit from a more systematic study of the effects of amalgamations. This is because the scale of local government in Europe has changed dramatically, mainly as a result of municipal mergers, whereas the systematic evaluation of municipal mergers is not commonplace.

Processes of amalgamation can be divided into two types (Schaap et al. 2010). The first type can be called a ‘big bang’, an instant, nationwide set of mergers in which most municipalities are affected. Such sweeping reforms were, for instance, introduced in the nineteen seventies in Sweden and Belgium, and Denmark in 2007 (Loughlin, Hendriks and Lidström 2011). The second type is that of a gradual, step-by-step process of mergers that affects only a few municipalities at a time eventually leading to a steady nationwide increase in the size of municipalities. The Netherlands is a prime example of the second strategy (Boedeltje and Denters 2010).

Regardless of the type of the reform process, a core aspect of amalgamation policies is the assumption that local authorities’ problems result from an inadequate scale. Policymakers tend to readily perceive governing difficulties and democratic deficits as scale-problems. The basic assumption is that the effectiveness of local government depends on a high level of congruence between the scale of social problems, the scale of government and the scale of public involvement.

According to this rationale, the increase in the scale of today’s societal problems necessitates an increase in municipal size in order to restore or preserve the congruence. Larger authorities are expected to be the better governed ones. The main question however, is whether size really matters, more specifically: do amalgamated municipalities perform better; are they better suited to solve social problems? This question remains underexplored. Yet, amalgamations are still the talk of the town in many European countries. The Netherlands is no exception, rather the contrary: over decades, policy documents are punctuated by the assumption that there is a positive direct relation between the system capacity of local governments and an increase in their size. In the next section, we will elaborate on this.

3 Dutch Local Government and Developments in its Scale

The Dutch state is known as a ‘decentralised unitary state’ (Toonen 1990). At first sight, Dutch government is clearly structured (Hendriks and Schaap 2011). It has a nationwide three-layer system comprising of local government, i.e. municipalities (gemeenten), provincial government (provincies) and central government. However, matters are a bit more complicated. In addition to these three autonomous, ‘all-purpose’ layers of government there are also constitutionally recognised functional Water Authorities (waterschappen) that are responsible for water management and water quality. There are also many inter-municipal co-operations on the regional level which often have important service delivery responsibilities or which function as inter-municipal platforms for policy-making. In 2010, the average number of inter-municipal co-operative bodies was already 27 per municipality, and the number is increasing (Ministry of the Interior and Kingdom Relations 2012).

Within their borders and within the limits of ‘higher’ law, municipalities enjoy autonomy and they are also allowed to make municipal by-laws, formulate and execute their own policies in almost every policy area and to levy taxes (though rather limited). In addition to their autonomous ‘tasks’ municipalities are responsible for the implementation of national policies in a large number of policy areas. This is called ‘co-governance’ (medebewind). Over its long history, local government in the Netherlands has increasingly become an executive branch of the central government (Schaap 2012). This implementation, however, is not mechanistic in nature (Derksen and Schaap 2010). As of 2015, substantial responsibilities have been transferred to local governments, in particular concerning social and health care.
Denters (1996) have famously described the Dutch amalgamation policies as a ‘success of a failing policy’ (see also Korsten et al. 2007). Although the results of amalgamation policies are rather weak in terms of increasing system capacity, as will be discussed in the next section, they have been an unmistakable success when it comes to reducing the number of municipalities. In 1849, there were 1,209 municipalities and in 1945, there were still 1,016, whereas nowadays the Netherlands know no more than 393, with an average number of inhabitants per municipality of 43,000. In that respect, the Netherlands are the third highest in Western Europe, after the UK and Denmark (Baldersheim and Rose 2010: 5).

Despite the long tradition of national government striving for municipal mergers, the definition of the problems amalgamation policies are expected to address have constantly changed since World War II (Korsten et al. 2007: 27). It varied per decade, focussing on a lack of space for expanding cities, limited governing capacity of smaller municipalities, alleged difficulties with inter-municipal co-operations, or untapped opportunities for economic growth. There are also differences in the territorial focus of Dutch amalgamations, as it sometimes was on rural areas, sometimes on urban areas, sometimes on both. Further, the Netherlands has witnessed periods of compulsory mergers as well as periods of voluntary mergers. Table 1 provides an overview of the changing amalgamation policies in the Netherlands from the 1940s and on.

However, a stable factor across Dutch amalgamation policies over the years has been the focus on governing capacity (bestuurskracht in Dutch), i.e. municipalities’ abilities to deal with their tasks and responsibilities and their abilities to carry financial risks (Castenmiller 1997; Korsten et al. 2007). This criterion has often been translated in a minimum number of inhabitants for each municipality. In fact, amalgamation policies in the Netherlands have always aimed at increasing the size of municipalities, although for different reasons. Preferred numbers have differed widely, ranging from as few as 2,000 in the nineteen fifties and sixties, to as many as 100,000 in recent years. There have also been periods in which the focus was less on the number of inhabitants and more on actual system capacity or other criteria (Korsten et al. 2007: 27). System capacity, however, has always been at the core of Dutch amalgamation policies, whatever the reasons for territorial reforms, and an increase in the number of inhabitants has always been the intended result. Further, the assumption has always been that there is a positive relationship between municipalities’ size and their performance.

**Table 1.** Shifts in amalgamation policies, 1940 - present

<table>
<thead>
<tr>
<th>Period</th>
<th>Approach and main policy goals</th>
<th>Main decision-makers</th>
<th>Minimum no inhabitants</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940s-1950s</td>
<td>Addressing specific space problems in urban areas</td>
<td>National government</td>
<td>2,000-3,000</td>
<td>Urban areas</td>
</tr>
<tr>
<td>1960s</td>
<td>Amalgamation per region; Increase expertise in municipalities</td>
<td>National government</td>
<td>10,000</td>
<td>Rural areas</td>
</tr>
<tr>
<td>1980s</td>
<td>Addressing specific problems with regard to system capacity</td>
<td>Provincial governments</td>
<td>6,000-8,000</td>
<td>Rural and urban areas</td>
</tr>
<tr>
<td>2000s</td>
<td>Amalgamation per region, attempting to create equal partners in inter-municipal co-operations</td>
<td>Provincial government</td>
<td>-</td>
<td>Rural and urban areas</td>
</tr>
<tr>
<td>At present</td>
<td>General goal: creating stronger municipalities able to fulfil significant decentralised tasks.</td>
<td>National and provincial governments</td>
<td>100,000 (but not strictly)</td>
<td>Rural and urban areas</td>
</tr>
</tbody>
</table>
4 A REVIEW OF EVALUATION STUDIES

In this section, we assess the collection of amalgamation evaluation studies currently available in the Netherlands. There are numerous articles (academic and non-academic), papers and books on the subject. For this article, we selected those studies that covered more than one municipality or amalgamation at the same time because these comparative studies are less subject to the risks involved with single case studies. The analysis includes academic studies published from 1987 onwards, when the first wave of evaluation studies was conducted that focused on different aspects of the quality of governance. The limited number of evaluation studies that were available at the time had not produced conclusive evidence about the effects of amalgamation and was criticised for not well operationalising the system capacity of local government (Derksen 1987a, 1987b). Table 2 provides an overview of studies analysed for this article and outlines their main characteristics; the table contains studies evaluating amalgamations as well as studies that focus on size effects as such. In addition to these studies we used existing academic publications that discuss effects of amalgamations in the Netherlands as far as provide additional insight into the effects of amalgamation.

The set of studies is rather heterogeneous. Some studies focus on municipalities’ performance in general (effectiveness, efficiency, democratic aspects); some only address one topic (such as electoral turnout). The locus of the studies differs too, as it varies from one newly created municipality to a number of municipalities in one province, to even all municipalities in the country. Broadly speaking, two subsets of studies can be distinguished: (a) those studies that analyse the effects of amalgamation and (b) those studies that analyse the effects of municipal size.

Table 2. Studies on effects of amalgamation and municipal size in the Netherlands, 1987 - 2014

<table>
<thead>
<tr>
<th>Selected publications</th>
<th>Focus</th>
<th>Geography and units of analysis</th>
<th>Main research methods</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Studies on effects of amalgamation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Berghuis, Herweijer and Pol, 1995</td>
<td>Broad range, including governing capacity, quality of governance, policymaking, service provision</td>
<td>Province of Groningen 11 municipalities</td>
<td>Diachronic and quasi-experimental design; a survey amongst councillors, aldermen, mayors, and officers.</td>
</tr>
<tr>
<td>Toonen, Van Dam, Grim and Wallagh, 1998</td>
<td>Operational quality, quality of governance, and quality of institutions</td>
<td>Country wide 104 amalgamations, 1982-1994</td>
<td>A survey amongst mayors, clerks, chief HRM officers, and councillors</td>
</tr>
<tr>
<td>Kraaykamp, Van Dam and Toonen, 2001</td>
<td>Electoral turnout</td>
<td>Country wide All municipalities</td>
<td>Multivariate analyses on electoral turnout</td>
</tr>
<tr>
<td>Alta, Van den Berg, Kroon and Schouten, 2002</td>
<td>Service provision, quality of governance, government-citizens relationship</td>
<td>Province of Drenthe 34 municipalities</td>
<td>Survey amongst citizens, interviews with citizens, focus groups with representatives of municipalities and civil society</td>
</tr>
<tr>
<td>Fraanje et al., 2008; Beerepoot, Fraanje and Herweijer, 2009</td>
<td>Broad range, including governing capacity, quality of governance, service provision, government-citizens relationship</td>
<td>Province of South-Holland 12 amalgamations, plus one boarder correction, 2002-2007</td>
<td>Document analysis, survey, focus groups, interviews</td>
</tr>
<tr>
<td>Van Twist, Schulz, Ferket, Scherpenissie and Van der Steen,</td>
<td>Governing capacity, financial stability, quality of governance, government-</td>
<td>Provinces of Gelderland, Limburg and Overijssel 39 amalgamations,</td>
<td>A survey amongst councillors, mayors, aldermen, administrators, citizens, and</td>
</tr>
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</table>

One study that is in accordance with our selection criteria, the 1995 study by ODRP into the financial and personnel effects of amalgamation, is not available.
2013 | citizens relationship | 1999-2010 | representatives of civil society
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**Studies on size effects**

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Topic</th>
<th>Location</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derksen, Van der Drift, Giebels and Terbrack, 1987; Derksen, 1988</td>
<td>Effectiveness, efficiency and democratic quality of smaller municipalities (0-35,000 inhabitants)</td>
<td>Country wide</td>
<td>Interviews with mayors, aldermen, CEOs, local administrators and representatives of provinces and national government.</td>
</tr>
<tr>
<td>Bleker and De Koningh, 1987</td>
<td>Size of the administration</td>
<td>Country wide</td>
<td>Secondary analysis of statistical data</td>
</tr>
<tr>
<td>Denters, De Jong and Thomassen, 1990; Thomassen, Denters and De Jong, 1991</td>
<td>Social welfare, quality of democracy, and rule of law</td>
<td>Country wide</td>
<td>Survey amongst citizens and municipalities, interviews per municipality with the mayor, councillors, officers, and stakeholders, and desk research.</td>
</tr>
<tr>
<td>Denters, 2002; Frandsen, 2002; Ladner, 2002; Rose, 2002; see also Denters et al., 2014</td>
<td>Turnout in local elections, non-electoral participation and political trust</td>
<td>The Netherlands and other countries</td>
<td>Surveys amongst citizens, secondary analysis of statistical data</td>
</tr>
<tr>
<td>Allers and Geertsema, 2014</td>
<td>Spending and service levels</td>
<td>Country wide</td>
<td>Difference-in-difference estimation</td>
</tr>
</tbody>
</table>

As we learn from this overview, the evaluation studies and the studies into size effects not only differ in focus and locus, but also in research approach and methods:

- Some studies apply one specific method, while others use various ones. We found interviews as a single method (Derksen et al. 1987); secondary analysis of statistical data (Bleker and De Koningh, 1987; Kraaykamp et al, 2001), surveys (Toonen et al, 1998; Van Twist et al, 2014). Other studies apply combinations of interviews, surveys, desk research, and occasionally statistic data. The latter variety of methods, or triangulation, is to be preferred, just to prevent biases in each and every single method.

- Studies also differ in the choice of respondents. Some limit their data gathering to government officials such as mayors, councilors, and officers (Derksen et al, 1987; Toonen et al, 1998), while others have a somewhat broader scope and also collected data from several sources including citizens and/or civil society spokespersons, and secondary analyses. In this respect, a wider selection of data sources seems to be the better choice. We deem relying on interviews with actors in charge (mayor, aldermen, CEOs) in the newly created municipalities as less trustworthy as these studies tend to rely on opinions of those who are responsible for the present municipality and may thus be biased. Relying on opinions of citizens and/or civil society spokespersons may be equally hazardous, as they may have too limited knowledge of the municipality’s performance.

- A third difference concerns the timeframe, that is, the period between the amalgamation under study and the evaluation. In this respect we distinguish three kinds of studies: evaluations shortly after the amalgamation (Alta et al, 2002; Fraanje et al, 2008), evaluations after a long period (Toonen et al, 1998; Van Twist et al, 2014), and diachronic studies (Berghuis et al, 1995). The first type may have the disadvantage of being conducted too soon, as newly created municipalities need some time to settle (new policies, new administration, and new organization, et cetera). The second type may very well have the opposite disadvantage of being conducted too late; if an amalgamation took place a decade ago, it may turn out to be extremely
difficult to reliably connect the amalgamation to present developments and performance. Both
have one disadvantage in common: they have no solid ground for analyzing the developments
in the municipality's performance over time, as they lack information on the former
municipalities' performance. A before-after research design may prevent the bias of the present.

All in all, the better evaluation studies are those studies that combine various research methods
(triangulation), collect information of various sources, and are diachronic and thus compare the
performance of the present municipalities to that of their respective predecessors. Only Berghuis et
al (1995) meets these criteria. Other studies occasionally try to mend the lack of data on the former
municipalities' performance by analyses of documents and/or by making that performance part
of the interviews/surveys. Studies that at least have the first two characteristics – applying various

In our assessment of studies, we combined studies that evaluate the effects of amalgamation with
studies of size effects. One might object to our choice arguing that an increase in municipal size and
amalgamation are two different things because (a) amalgamation might be motivated by reasons
other than an increase of size and (b) municipal size can increase without amalgamation. The latter
objection has no solid ground, as amalgamation rather than population growth is without a doubt
the main cause of the increase in municipal size in the Netherlands. We believe we can refute as
well. Amalgamation in the Netherlands always leads to an increase in the size of municipalities,
which, indeed, has always been the main goal of amalgamation policies. We will nevertheless
distinguish scale-effects from other amalgamation-effects wherever possible, when assessing the
results of the selected studies.

5 The effects of amalgamation

In this section, we turn to the effects of amalgamation, as founds in the studies we discussed in the
previous section. We decided to not limit the discussion to those studies that meet the terms
formulated in this paper, but put a heavier weight on the results of such studies than on those of
other, less reliable ones, instead. Further, for each of the effects of amalgamation we examine, we
also discuss selected studies conducted outside the Netherlands to reflect on the generalizability of
the Dutch findings. Unfortunately, the results of studies of the effects of amalgamations from
outside the Netherlands are even more fragmented than the Dutch findings.

What follows is an overview of empirical evidence on the relation between municipal size
and system capacity and an analysis of the effects on citizen effectiveness. The latter being an
important counterpart of system capacity in Dahl and Tufte's (1973) classic study, which has
received little attention in amalgamation policies.

The effects of amalgamation on system capacity

First, we present the results of amalgamations in the Netherlands. We discuss the results on local
government's system capacity, which we divide into the following aspects: municipalities’ capacity
to deal with complex social problems, financial effects, service provision, and effectiveness of
policies.

Scale and complexity of social problems. Advocates of amalgamation usually argue that societal
problems increasingly become complex and occur on a larger geographic scale. Bigger
municipalities are believed to be more capable of dealing with these problems, which provide a rationale for amalgamation. Empirical evidence, however, shows that for three reasons both premises of this argument should be questioned. First, there is no clear relation between the municipal size and the system’s ability to deal with its societal problems (Derksen et al. 1987; Berghuis et al. 1995; Putmans and Spit 1996; Beerepoot et al. 2009). Even when it comes to spatial problems, housing for example, we are not better off with larger municipalities (Derksen 1987a). This is because the scale of larger municipalities often does not coincide with the scale of the societal problems they face. One of the reasons is that different societal problems have different (geographic) scales and therefore one size does not fit all. Second, problems that exceed the individual municipality’s scale, regional problems, are not necessarily better dealt with after amalgamation (Derksen et al. 1987; Berghuis et al. 1995; Toonen et al. 1998), although some studies indicate that amalgamated municipalities are more able to deal with problems that have a larger scale (Fraanje et al. 2008: 135). Third, scale enlargement itself triggers the emergence of new problems: the increase in municipal scale causes an increase in the complexity of societal problems. This is because a larger municipal scale gives rise to new demands and preferences among citizens (Derksen et al. 1987; Putmans and Spit 1996; Allers and Geertsema 2014). The consequence is that larger municipalities do not fare better in this respect.

This is not to say that a fit between the scale of societal problems and their complexity on the one hand and municipal scale on the other is irrelevant. The empirical evidence only illustrates how difficult it is to achieve this fit, because municipal scale, complexity, preferences and problems affect each other. The issue is highly ambiguous. One conclusion is evident however; there is no clear relation between municipal scale and the system’s ability to deal with the complexity and the scale of societal problems.

Financial effects. Amalgamation is often said to have positive financial effects. And indeed, larger municipalities enjoy the benefit of greater administrative resources (Denters et al. 1990), but this is only the case in absolute terms. Larger municipalities have a greater taxation area and receive more resources from national government. This shows in other areas too. Bleker and De Koningh (1987) for example conclude that the number of civil servants employed by a municipality is a reliable predictor of municipal size. Whether larger municipalities also benefit from a relative increase in resources, because of economies of scale, is a matter of lively debate. Derksen (1987a), Derksen et al. (1987) and Berghuis et al. (1995) conclude that there are no economies of scale for Dutch municipalities. Some studies even find diseconomies of scale (Toonen et al. 1998: 38). Larger municipalities in the Netherlands employ a higher number of civil servants than smaller municipalities not only in absolute terms, but also in relative terms (ODRP 1995; Allers 2010: 341). All in all, amalgamation does not reduce spending, Allers and Geertsema (2014) find. Some scholars suggest that this can be explained by an increase in the complexity of societal problems in larger municipalities, where others point to the transaction costs that come with amalgamations (Van Twist et al. 2013: 25; see also McKay 2004; Sørensen 2006). Others point to bureaucratisation (Fraanje et al. 2008: 16), but such claims are called into question by the fact that, in the long term, spending on administration is significantly reduced by amalgamation (Allers and Geertsema 2014: 29). A third plausible explanation is that possible economies of scale are cancelled out by higher levels of service, but no evidence for such an effect was found (Allers and Geertsema 2014). In addition, several studies conclude that the financial stability of amalgamated municipalities is often under pressure (Fraanje et al. 2008: 136; Van Twist et al. 2013: 25).

Hence, again, the matter is complex; the empirical evidence points in different directions. Clearly, the theoretical argument in favour of amalgamation lacks robust empirical support: larger municipalities do not necessarily enjoy economies of scale. Therefore, ‘economies of scale should not be taken for granted’ (Allers and Geertsema 2014: 29). This finding resonates with findings from outside the Netherlands. Whereas some studies find economies of scale of amalgamation (e.g.
but not all (e.g. Sancton 1996; Moisio and Uusitalo 2013), others find such effects only for municipalities of a particular size (e.g. Hanes 2014), yet other studies find no scale economies for population size (Boyne 1995). Results are inconclusive, to say the least (for further discussion, see Reingewertz 2012).

Effectiveness of municipal policies. When it comes to the effectiveness of municipal policies, the results are equally diverse. Many studies find that larger municipalities do not produce policies that are more effective. This claim is supported by a number of evaluation studies on amalgamation in the Netherlands, including Derksen et al. (1987a) and Denters et al. (1990). These studies show that the substantive quality of municipal policies does not increase after amalgamation. Neither is there a relation between municipal size and the quality of municipal policies. Hoogerwerf (1999) concludes: larger municipalities are not more effective. However, through focus groups, Alta et al. (2002) as well as Fraanje et al. (2008) find some evidence that amalgamated municipalities do produce policies that are more effective. In addition, amalgamation has been shown to have secondary advantages in this respect. Studies have consistently shown that amalgamated municipalities have a less fragile administrative apparatus and more professional civil servants (Bleker and De Koningh 1987; Denters et al. 1990; Berghuis et al. 1995; Toonen et al. 1998; Fraanje et al. 2008). In addition, some studies found that amalgamated municipalities have greater capacities for strategic policymaking (Toonen et al. 1998; Fraanje et al. 2008: 135-136; Alta et al. 2002: 49; Van Twist et al. 2013: 24). However, again, all of this does not necessarily result in more effective policies (Derksen et al. 1987; Denters et al. 1990; Denters and Geurts 1998: 221; Toonen et al. 1998).

Service provision. With regard to service provision Dutch studies come to a more uniform conclusion, namely that amalgamated municipalities are more professional and more customer-oriented, but that amalgamation has no effects on the level of service services (Fraanje et al. 2008: 134-135; Van Twist et al. 2013: 24). Allers and Geertsema (2014) find that amalgamation does not improve public services and that it has a weak and negative effect on house prices. These studies corroborate existing claims that smaller units are more homogeneous and more efficient in the provision of services (see also Mouritzen 1989; Dollery, Byrnes and Crase 2008).

To summarise this section, we can conclude that the effects amalgamation on system capacity are inconclusive. At the very least, an increase in system capacity as a result of amalgamation should not be taken for granted. Positive effects of amalgamation have been reported in areas such as the professionalism of the administration. In most areas, though, amalgamated municipalities do not fare better. Negative effects have also been reported. Furthermore, municipal size does not seem to be a decisive factor for the system capacity of local government. Other exogenous factors, such as the municipality’s function in the region and its geographic composition are more important (see Derksen 1987a; Goldsmith and Rose 2002). Hence, the explanatory power of municipal size as a variable is very limited to say the least. This explains why the expected effects of amalgamation fail to materialize (Denters 1996; Van den Heuvel and Huijben 2003) and why amalgamation policies have failed to substantially increase system capacity even though they were highly successful in terms of application (Denters 1996).

The effects of amalgamation on citizen effectiveness

In this section, we discuss the results of municipal mergers on local government’s citizen effectiveness, which is conceptualised as political trust, electoral participation, non-electoral participation, and the representativeness of the council.
Political trust. In an international comparative study on the relationship between municipal size and political trust that included the Netherlands, Denters (2002: 793) found that the size of municipalities has ‘a modest negative effect on political trust’. His analysis shows that this ‘negative effect is the result of a tendency of citizens in small municipalities to be more satisfied with their local government than residents in large units’. In accordance with these findings Fraanje et al. and Van Twist et al. find that citizens’ trust in local government is negatively affected by amalgamation, as is their involvement with local politics (Fraanje et al. 2008: 134, 136; Van Twist et al. 2013: 24). Conclusions from outside the Netherlands corroborate these findings (Hansen 2013), although some scholars are more critical of these claims (e.g. Larsen 2002).

The available studies, thus, paint a grim picture of local government’s relationship with citizens after amalgamation. Plausible explanations for these effects put forward in the Netherlands are: (a) the internal rather than external orientation of newly amalgamated local governments (Alta et al. 2002: 49; Van Twist et al. 2013: 24) and, (b) physical distance between citizens’ homes and city hall (Toonen et al. 1998; Alta et al. 2002: 23-28). Political efficacy may also play a role (Lassen and Serritzlew 2011).

Electoral participation. Another main concern amongst scholars as regards the citizen effectiveness of amalgamated municipalities is that the increase in municipal scale leads to a decrease in electoral turnout. The evidence in the Netherlands clearly points in that direction; a large number of Dutch studies confirm the negative relation between municipal size and turnout in local elections (Denters et al. 1990; Berghuis et al. 1995; Denters and Geurts 1998; Herweijer 1998; Toonen et al. 1998: 113; Frandsen 2002; Fraanje et al. 2008: 134). In addition, amalgamations negatively affect participation in local branches of political parties (Reussing 1989).

One may wonder whether this is the effect of amalgamation or of a larger scale in general. Kraaykamp et al. (2001) show that amalgamation has only small effects on electoral turnout and that these effects fade over time (see also Toonen et al. 1998: 113; Fraanje et al. 2008: 134). With regard to municipal size however, they find more or less stable negative effects on electoral turnout. The effects of municipal size on turnout are substantial’ (Kraaykamp et al. 2001: 413). Ceteris paribus, the electoral turnout in a municipality with 100,000 inhabitants for example, is expected to be 10.9% lower than in a municipality with 20,000 inhabitants (Kraaykamp et al. 2001: 413). Interestingly, the effect of municipal size on turnout turns out to be curvilinear: the decrease in turnout flattens when municipalities increase in size. Thus, size-effects are different from amalgamation-effects in this respect. The amalgamation effect of electoral turnout fade away over time, but the size effects remain (Berghuis et al. 1995: 92-93; Fraanje et al. 2008: 134).

Studies from outside the Netherlands also find considerable evidence that electoral participation declines with community size (e.g. Ladner 2002; Remmer 2010). At the same time, others have a more nuanced view (e.g. Hoffmann-Martinot, Rallings and Thrasher 1996) or find that the manifestation of political alternatives in local politics, which is one of the prerequisites for a vital local democracy, increases significantly with the size of the municipality (Karlsson 2013).

Non-electoral participation. With regard to non-electoral forms of participation, the conclusions are not altogether different. Denters et al. (1990) found no clear relationship between size and non-electoral participation (see also Castenmiller 1996). Rose (2002) however, concludes that there is a negative relation between municipal size and citizen participation in different forms of non-electoral participation, acknowledging the fact that the effects vary from one country to another and are different for various forms of participation; this conclusion is based on a large-scale European study named ‘Size and democracy’ which included the Netherlands. In the Netherlands for example, municipal size negatively correlates with ‘contacting a local politician’ and ‘contacting the local administration’, but has no significant effect on ‘attending meetings’, ‘taking part in an
action group’ or ‘signing a petition’ (Rose 2002). In contrast, Fraanje et al. (2008: 81-82) found that non-electoral participation in terms of sending a letter to the council and taking part in consultations held by the local government increased in most but not all of the municipalities they studied. This effect may be explained by the fact that larger municipalities better facilitate citizens’ non-electoral participation (Denters et al. 1990), which means that there is a higher potential for effective citizen participation after amalgamation. Increased accessibility of local government for citizens may also positively affect citizen effectiveness, but findings differ in this respect (Boogers and Tops 1998): where some scholars claim that the accessibility of local government increases after amalgamation (Fraanje et al. 2008: 135), others see a decrease in accessibility (Denters and Geurts 1998: 225).

Studies from outside the Netherlands paint a similar picture. Many studies find negative effects of a larger municipal size on non-electoral participation (Mouritzen 1989; Ladner 2002; Larsen 2002), but there are also studies available that indicate a more positive relationship between municipal size and the quality of democracy. Lassen and Serritzlew (2011), for example, find a positive effect on citizens’ internal political efficacy.

Representativeness of the council. Amalgamations also negatively affect the representativeness of the council (Denters and Geurts 1998: 220). According to the Dutch Local Government Act, the number of councillors increases with the size of the municipal population, but not at the same pace. After amalgamation, individual councillors generally have to represent more citizens. Put differently, more people are represented by fewer councillors. As a result, the process of amalgamation has serious consequences for the representativeness of the council. In 2014 the average number of inhabitants per councillor in the Netherlands was 1,866; in 2000 this number was 1,547 (Decentraal Bestuur 2012; Ministry of the Interior and Kingdom Relations 2014). In larger municipalities, the number of inhabitants councillors are expected to represent is much higher than in smaller ones. From the point of view of representative democracy, this development can be characterised as a reduction in democratic legitimacy. From a participatory-democracy perspective, though, it may be less relevant. In any case, amalgamations cause local political parties to lose ground in comparison to local branches of national political parties (Berghuis et al. 1995: 93).

To summarise this section, we conclude that as regards both electoral and non-electoral participation in local decision-making, amalgamation has mainly negative effects. Although positive effects can be found in some areas, amalgamation overall has a negative effect on citizen effectiveness. This claim finds considerably more solid support than the one of increased-system-capacity. Larger municipalities suffer a decline in political trust and electoral turnout. With regard to non-electoral participation, the conclusions are more nuanced because positive and negative effects are found in this area. Amalgamation also affects the representativeness of the council, but whether this reduces the democratic legitimacy of local government is a matter of judgement.

6 Conclusions and implications for amalgamation policies and the study of amalgamation

The aim of our article was to provide an overall assessment of the effects of municipal amalgamation, inspired by the thesis originally developed by Dahl and Tufte (1973) that holds that larger units have greater system capacity but at the cost of their citizen effectiveness. To the extent mergers have been evaluated until now, evaluations have often focused more on system capacity than on citizen effectiveness. To some extent, our findings corroborate Dahl and Tufte’s postulate,
but they also show that an increase in system capacity should not be taken for granted. Although studies find that amalgamated municipalities have a more professional and less vulnerable administration, the results with regard to the efficiency and effectiveness of municipal policies are inconclusive, to say the least. Amalgamations’ mainly negative effect on citizen effectiveness enjoys more firm support, although there are also some positive effects in this respect and size effects seem to be stronger than amalgamation effects (see also Denters et al., 2014).

These findings call into question the effectiveness of amalgamation policies that, at least in the Netherlands, have aimed almost exclusively at increasing the system capacity of local government. Over the last decades an excessive amount of attention has been paid to municipal size in the Dutch debate on the problems of local government, for which reason many scholars argue that the importance of size has been overestimated (see Derksen et al. 1987: 151; Denters et al. 1990; Berghuis et al. 1995; Boogers and Tops 1998; Toonen et al. 1998; Boogers and Schaap 2007).

It seems more appropriate for policymakers who want to increase the system capacity of local government to focus on a municipality’s function in the region and its geographic composition (see Derksen 1987a). It seems sensible to at least reject the idea of a one-off minimum or optimal size for municipalities (e.g. Derksen 1987a; Derksen and Salet 1996; Castenmiller 1997; Boogers and Tops 1998), whereas this idea has been prominent in the political debate on amalgamation even up until now, especially in the administrative practice. This is because the optimal size of local governance differs per municipal task (Dahl and Tufte 1973; Bleker and De Koningh 1987; Derksen 1987a; Toonen et al. 1998), which makes it impossible to determine one optimal scale for local government. A governance approach, which focuses on cooperation between different governmental and non-governmental actors, seems more suitable in this respect rather than the traditional government perspective that underlies amalgamation policies.

Policymakers should also take into account the often-ignored negative effects of amalgamation on citizen effectiveness because they threaten the democratic legitimacy of the newly created municipalities. Even though amalgamation itself it not per se the cause of this because size effects trump amalgamation effects, the danger of the exponential increase in the average number of inhabitants for each municipality resulting from amalgamation policies should not be overlooked. Whereas Derksen (1987a), Berghuis et al. (1995) and Toonen et al. (1998) conclude that the pros and cons of amalgamation are balanced when it comes to system capacity and the financial costs and benefits, they have not sufficiently taken into account the effects on citizens effectiveness, other than, for example, Fraanje et al. (2008: 136) and Van Twist et al. (2013: 24) have done.

The implications for the study of municipal amalgamation are threefold. First, citizen effectiveness should always be taken into account when studying the effects of amalgamation because it is the counterpart of system capacity (Dahl and Tufte 1973). Second, gaining a full understanding of the effects of amalgamation requires further study outside the Netherlands, because there the study of amalgamation has remained piecemeal. Third, studies should make an all-important distinction between amalgamation effects, size effects and other plausible explanatory factors, of which the former two seem to have little independent explanatory power. These implications call for the development of a broader theoretical framework that allows us to explain the system capacity and citizen effectiveness of local government (see also Denters et al., 2014).² Such a framework provides ample opportunities to study the effectiveness of responses to the challenges local governments face.

² Denters et al (2014) study effects of size on local democracy; effects of size may, however, very well be something different than effects of amalgamations. Discussing that difference was beyond the scope of this article.
References


