



The Local Government Reform and Evaluation

On 1 January 2007 the Danish Local Government Reform came into force. The reform contained three main elements: a new map of Denmark, a new distribution of tasks between the state, municipalities and regions, and a new financing and equalization system.

Since the 1970 the Danish public sector has gradually become more decentralized and the counties (regions after 1 January 2007) and the municipalities have acquired more influence and tasks within social and health care, education and integration. The main objective of the local government reform was to adapt public service delivery to technological change and increasing demand on welfare services, while still keeping the public sector decentralized. Therefore a central element in the reform was to create larger municipalities and regions with more tasks and more responsibility.

A new map of Denmark

The local government reform created a new map of Denmark where the number of municipalities was reduced from 271 to 98 by mergers and the 13 counties were abolished and replaced by five new regions. In terms of geography and inhabitants the new municipalities and regions have become larger. Each region has between 0.6 and 1.6 million inhabitants and the average population of the municipalities have increased from under 20,000 inhabitants to approx. 55,000 inhabitants after the reform.

A new distribution of tasks in the public sector after 2007

The reform created a new distribution of tasks between regions, municipalities and the state. The municipalities have undertaken most of the citizen related tasks. The primary responsibilities of the regions are health care, regional development and operation of a number of social institutions. In addition, the regions are responsible for the establishment of transport companies and certain regional tasks regarding nature, environment and physical planning. Finally, the regions are responsible for providing and developing special education nationally and regionally and for institutions offering special education to people with a speech, hearing or sight impairment (communication centers).

Financing and equalization after 2007

With the reform the number of taxation levels was reduced from three to two as the regions (opposed to the counties) do not have the right to impose taxes. Instead the regions are financed partly by the municipalities and partly by the state.

Local Democracy after 2007

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A central objective of the reform was to strengthen local democracy in Denmark. When the number of municipalities was reduced, the number of council members was reduced from 4597 to 2520. However each of the 98 district councils has, in general, more members. The reform has also established a new democratic government body: the regional council. The regional council consists of 41 members, elected by the citizen of the region every four years. Compared with the total number of county council members, the number of regional council members has been reduced from 357 to 205.

Adjustments of the local government reform

After the national election in September 2011, the new government established a committee for evaluation of the local government reform. The purpose of the evaluation was to review the new distribution of tasks between the state, regions and municipalities as well as consider the need for adjustments. The evaluation focused on health, social affairs, and the specialized educational, nature and the environment and regional development. Overall, the evaluation concluded that the local government reform has created a more robust and sustainable public sector that is better managed and able to deal with current and future challenges.

However, the evaluation presented recommendations for adjustments to the distribution of tasks, cooperation and management relations between regions and municipalities within general practice, health IT, psychiatry, rehabilitation and municipal financing. In June 2013 the Danish parliament decided to follow up on the evaluations adjustment proposals which resulted in following adjustments:

1. The hospitals' competence in relation to rehabilitation programs for patients with complex rehabilitation needs have been strengthened.
2. In order to improve cooperation between the municipalities and the regions the number of health agreements has been reduced from 98 to 5.
3. The National Board of Social Services has become responsible for provision of services for the most specialized audiences, including special education. The municipalities has become fully responsible for supplying services within special education and special counseling while the regions provide services for the municipalities within social tasks and special education.

4. Approval of landfills has been transferred from the municipalities to the state and the right to issue approvals for mining has been transferred from the municipalities to the regions.
5. In order to achieve greater impact and visibility the regional development plan and the regional business strategy have been merged into a single strategy of growth and development.
6. The regional councils have been given increased rights, including the right to establish standing committees.

Responsibilities of the State after 2013

- Police, defence, legal system
- Foreign service, Official Development Assistance
- General planning within the health care sector
- Education and research except primary school and special education
- Social services: National knowledge and special counselling organization (VISO)
- Labour and overall employment policy
- Refund of municipal costs (unemployment insurance, disability pension and social assistance)
- Taxation and collection of debt to the public authorities
- The general road network and the state railway
- General nature, environmental and planning tasks
- Certain cultural measures
- Business, industry and trade subsidies
- Reception of asylum applicants

Responsibilities of the Regions after 2013

- Hospital service, psychiatry and public health insurance, including general practitioners, specialists and reimbursement for medication
- Operation of a number of institutions for groups with special needs for social services and special education (speech, hearing or sight impairment)
- Soil pollution and mapping and planning of recovery of raw materials
- Regional development, including secretariat services to regional growth fora
- Regional promotion of tourism
- Responsibility for establishment of transport companies (including bus transport, fixing of rates and ticketing systems, schedules, coordination and planning, private railways and individual transport of disabled people)

Responsibilities of the Municipalities after 2013

- Social services: responsibility for financing, supply and authority
- Child care
- Primary school, including any special education and special pedagogical assistance for small children
- Elderly care
- Health care: Preventive treatment, care and rehabilitation that do not take place during hospitalization, treatment of alcohol and drug abuse, home care, local dental care, special dental care and social psychiatry
- The active employment for both insured and non-insured unemployed
- Integration and language education for immigrants
- Citizen taxation and collection in cooperation with state tax centers
- Supplies and emergency preparedness
- Nature, environment and planning, including specific authority and citizen related tasks, preparation of local plans and plans regarding waste water, waste and water supply
- Local business service and promotion of tourism
- Participation in regional transport companies
- The local road network
- Libraries, schools of music, local sports facilities and culture