AER Study on the state of regionalism in Europe

Country report on the Netherlands

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Author Biography

Nico Groenendijk is professor of European Economic Governance at the Faculty of Behavioural, Management and Social Sciences of the University of Twente, Netherlands. He is co-director of the Centre for European Studies.

He has a background in public administration, public sector economics and EU studies. He has specialized in the EU budget, EU institutional development, economic policy coordination, and fiscal federalism. Recently he has done research into EU macro-regional strategies, cross-border cooperation in Europe, the role of regions in the Europe 2020 strategy, and the impact of EU regulation on subnational authorities in the Netherlands.

Nico Groenendijk has been a visiting professor in Lithuania, Latvia, Estonia, Slovakia and South Africa. Currently he is visiting professor of European Studies at the European College of the University of Tartu, Estonia.
PART ONE: HISTORICAL BACKGROUND

The current administrative structure of the Netherlands consists of three levels: central government, provinces and municipalities. Interestingly, the Dutch provinces are older than the Dutch nation state as such. In 1579 the Dutch provinces established the “Unie van Utrecht” and subsequently in 1581 adopted the “Acte van Verlatinghe”, in which they denounced the rule of Spanish king Philip II. This “Acte van Verlatinghe” is commonly regarded as the Dutch Declaration of Independence, which inspired later similar declarations such as the US Declaration of Independence of 1776.

After the search for a Dutch monarch proved in vain, the provinces decided to move on as a republic, the Republic of Seven United Provinces (1588). This republic resembled a confederation rather than a federation; at its core was the cooperation between the provinces concerning defense and –especially- trade. In terms of defense, the main common task was to fight the Spanish rule, which eventually resulted in the Münster Peace Treaty (1648) in which the Dutch Republic was recognized as a sovereign state. In terms of trade, the Republic became an important global player, especially during the second half of the 17th century (the Dutch “Golden Age”).

The high level of autonomy of the provinces and the lack of widely accepted central rule became problematic in the early 18th century. From a functional perspective, it was clear that the Republic should move towards more union with a centralized political power at its core, but the provinces highly valued their sovereignty. Internal power conflicts weakened the Republic and made it prone to external interventions. In 1795, French troops invaded the Republic. A “new” Republic was established, the Batavian Republic, which was formally independent, but effectively run by the French. In 1801 the Netherlands (at that point of time consisting of large parts of what is currently the Netherlands, Belgium and Luxembourg) was brought under direct French rule, which lasted until 1815. This short period proved to be highly beneficial to the Netherlands in terms of public administration, as French rule brought along a unified legal-administrative framework that the former Republic of United Provinces had been lacking. On the other hand, it brought the Netherlands at the mercy of the larger European power struggle of that time, between France and the English-Russian-Austrian
coalition. After Prussian and Russian forces had forced French troops out of the Netherlands, in 1813, William I (descendant of a family of Dutch governors that played an important role in the former Republic) declared himself the sovereign king of the new Kingdom of the Netherlands. After some struggle between republicans and monarchists, this new kingdom was formally established in 1815, and a constitution was adopted. Its territory initially contained the current territories of the Netherlands and Belgium, but the religious and cultural divide between the two territories proved to be too large. In 1830 Belgium dissociated itself from the Kingdom of the Netherlands and established its own kingdom.

The administrative set-up of the Dutch nation state has been rather stable since 1830 and changes to the territorial structure of the provinces have been marginal (as opposed to the municipal level where restructuring and merging has been a constant). Currently there are 12 provinces in the Netherlands, as shown by graph 1. Table 1 provides some basic information on these provinces.
Graph 1: Provinces of the Netherlands (2015)

Source: www.topomania.net
Table 1: Basic information on Dutch provinces

<table>
<thead>
<tr>
<th>Province (number of municipalities within the province)</th>
<th>Provincial capital</th>
<th>Flag</th>
<th>Inhabitants (2014)</th>
<th>Total area (land and water) in km²</th>
<th>Land area in km²</th>
<th>Population density (inhabitants per 1,000 km² of land area)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groningen (23)</td>
<td>Groningen</td>
<td>🇳🇱</td>
<td>582,728</td>
<td>2.960</td>
<td>2.333</td>
<td>250</td>
</tr>
<tr>
<td>Fryslân/Friesland (24)</td>
<td>Leeuwarden</td>
<td>🇳🇱</td>
<td>646,317</td>
<td>5.749</td>
<td>3.342</td>
<td>193</td>
</tr>
<tr>
<td>Drenthe (12)</td>
<td>Assen</td>
<td>🇳🇱</td>
<td>488,988</td>
<td>2.680</td>
<td>2.641</td>
<td>185</td>
</tr>
<tr>
<td>Overijssel (25)</td>
<td>Zwolle</td>
<td>🇳🇱</td>
<td>1,139,697</td>
<td>3.421</td>
<td>3.326</td>
<td>343</td>
</tr>
<tr>
<td>Flevoland (6)</td>
<td>Lelystad</td>
<td>🇳🇱</td>
<td>399,893</td>
<td>2.412</td>
<td>1.418</td>
<td>282</td>
</tr>
<tr>
<td>Gelderland (54)</td>
<td>Arnhem</td>
<td>🇳🇱</td>
<td>2,019,692</td>
<td>5.137</td>
<td>4.972</td>
<td>406</td>
</tr>
<tr>
<td>Utrecht (26)</td>
<td>Utrecht</td>
<td>🇳🇱</td>
<td>1,253,672</td>
<td>1.449</td>
<td>1.385</td>
<td>905</td>
</tr>
<tr>
<td>Noord-Holland (51)</td>
<td>Haarlem</td>
<td>🇳🇱</td>
<td>2,741,369</td>
<td>4.092</td>
<td>2.671</td>
<td>1,026</td>
</tr>
<tr>
<td>Zuid-Holland (60)</td>
<td>Den Haag</td>
<td>🇳🇱</td>
<td>3,577,032</td>
<td>3.419</td>
<td>2.815</td>
<td>1,271</td>
</tr>
<tr>
<td>Zeeland (13)</td>
<td>Middelburg</td>
<td>🇳🇱</td>
<td>380,621</td>
<td>2.934</td>
<td>1.787</td>
<td>213</td>
</tr>
<tr>
<td>Noord-Brabant (66)</td>
<td>Den Bosch</td>
<td>🇳🇱</td>
<td>2,479,274</td>
<td>5.082</td>
<td>4.916</td>
<td>504</td>
</tr>
<tr>
<td>Limburg (33)</td>
<td>Maastricht</td>
<td>🇳🇱</td>
<td>1,120,006</td>
<td>2.209</td>
<td>2.151</td>
<td>521</td>
</tr>
<tr>
<td>TOTAL NETHERLANDS (393)</td>
<td></td>
<td></td>
<td>16,829,289</td>
<td>41,544</td>
<td>33.75</td>
<td>499</td>
</tr>
</tbody>
</table>

Source: Central Bureau for Statistics (CBS), StatLine

From table 1 it follows that the provinces in the western part of the Netherlands (Noord-Holland and Zuid-Holland) are very densely populated. The large urban area in this part is often called the “Randstad”, an agglomeration of cities including Amsterdam, Rotterdam and The Hague. According to some, the Randstad at large (in this context sometimes called the
“Deltametropool”) also includes the province and city of Utrecht, and the province of Flevoland. In this interpretation, the Randstad consists of appr. 7 million people, making it one of the largest urban agglomerations in Europe.

Although reform of the regional level is discussed on a regular basis, actual reform is rather limited. In 2012, the current government (Rutte-II, a liberal-socialist coalition) proposed to create 5-7 larger regions (“landsdelen”) to replace the current 12 provinces, starting with the merger of Noord-Holland, Utrecht and Flevoland into the “Noordvleugel”-province (the northern part of the Randstad). The provinces concerned were against this idea and mobilized support from the Dutch Senate (the second chamber of Dutch parliament, which is elected by representatives from the provincial assemblies, see section 2.2). As a result, the legislative process to bring about the merger was shelved in 2014. Shortly after that, the government decided to abandon the idea of provincial mergers altogether.

In addition to the territory-based multi-layered set-up (central government, provinces, municipalities) in which the various governments perform a wide variety of tasks, the Netherlands also has functional public bodies, which focus on one single task. The oldest functional public bodies are the “waterschappen” (water boards or water authorities), which manage water barriers, waterways, water levels, water quality and sewage treatment in their respective regions. The “waterschappen” are the oldest public authorities in the Netherlands; the oldest dates from 1255. There are currently 24 water boards; in 1950 this used to be 2.600, which shows that a huge merger process has been executed over the last 60 years. Unlike more recently established functional regions, the assemblies of the water boards are directly elected.

In terms of regionalism, the emergence of all kinds of functional regional cooperation is probably the most important development over the last decades in the Netherlands. Such cooperation can take various forms:
- Cooperation between several municipalities within one province, most often dealing with a single task (such as waste management), sometimes involving a multitude of tasks or more integrated policy fields (such as regional development);
- Similar cooperation between municipalities, but then across provincial borders;
- Cooperation between (parts of) provinces;
- Cooperation involving a specific territorial lay-out, like the 25 safety regions (dealing with emergency and fire services), embedded in 10 police regions;
Cooperation across nation state borders.
A lot of these cooperation schemes are facilitated by the “Wet Gemeenschappelijke Regelingen” (Wgr), a law which provides provinces, municipalities and water boards with the legal and institutional basis for cooperation. This law is in place since 1950 and has always been very widely used. In light of this popularity in the early 1980s it was debated whether a fourth layer of government (in between provinces and municipalities), called “gewesten”, needed to be introduced. The choice was made to stick with so called “verlengd lokaal bestuur” (enhanced local government through Wgr-based cooperation) rather than introducing an extra government layer.

Cooperation between provinces has also been influenced by European integration. First, in 2000 the twelve Dutch Provinces and the Association of Provincial Authorities (IPO) established the House of the Dutch Provinces (HNP) in Brussels. Its main role consists of representing the joint interests of the provinces by looking ahead, liaising, and informing. Secondly, and this is also reflected in the structure of the HNP, the provinces have for a longer period organised themselves into four regional offices: North Netherlands Alliance (SNN: Groningen, Fryslân, Drenthe)), East Netherlands Provinces (Overijssel, Gelderland), Randstad Region (Noord-Holland, Zuid-Holland, Utrecht, Flevoland) and South Netherlands Provinces (Zeeland, Noord-Brabant, Limburg). These four “regions” correspond to the four Dutch EFRD Operational Programmes. Additionally, cross-border cooperation with (regions in) Germany and Belgium is very common and has a long history; the first Euregion in the EEC context, the EUREGIO, was established already in 1958 between the Netherlands and Germany.
2.1 Legal basis, tasks and finances of the provinces

The tasks and competencies of the provinces are laid down in the Dutch Constitution and in the law on provinces (the “Provinciewet”, which originates from 1850). Rules regarding provincial finances and the financial relations between the various levels of government are laid down in the “Financiële-verhoudingswet” (originating from 1897).

By and large the Dutch provinces have tasks in the fields listen and discussed below. Competencies in these fields are often shared with the central government and with the municipalities (and increasingly with the EU). This means that there are hardly any tasks that are exclusive to provinces, but in the fields below the provinces are considered to be a very important and in some cases the primary public actor.

1-Spatial planning
Within the framework of national spatial plans, provinces adopt the so-called “structuurvisies” (provincial spatial plans). These provincial plans in their turn provide the framework into which municipal spatial plans have to fit. The role of provinces in regional spatial planning is crucial and the provinces are sometimes referred as the “spatial stage-managers”. Provinces make sure that separate municipal spatial plans are integrated on the regional level and if needed solve spatial bottlenecks and/or conflicts between municipalities. They supervise the water boards concerning spatial aspects of water infrastructural systems and water management in general. In addition to the spatial plans, the provinces can use a variety of permits as policy instrument.

2-Infrastructure and transport
Provinces are responsible for provincial roads, bicycle paths and waterways, bridges and tunnels. In addition, they manage regional public transport (bus, train) by means of concessions systems.
A very specific task concerns emergency services: provinces have to make sure that within their province emergency health services (ambulances) are on the spot within 15 minutes.
3-Nature conservation and environmental policies
In most Dutch environmental laws, the provinces are tasked with supervision of implementation and compliance, and with the authority to issue relevant permits. Provinces are also in charge of soil sanitation measures (as part of the re-generation of “brownfields”), and with managing transport of hazardous materials. Linked to their spatial planning authorities, provinces are the main government level dealing with nature conservation; they also have an important task in fighting climate change.

4-Regional economic development
Economic development is an important task for provinces, although it is clear that especially in this field multi-level and multi-actor governance (involving private actors) is key. Provinces play an important role in gathering information on various regional economic indicators, in facilitating economic cooperation between various parties, including cooperation between the private sector and higher education and research institutions.

5-Regional culture and conservation of monuments
Art, culture and history are important to regional identity. Provinces have an important task in safeguarding cultural heritage and in keeping cultural services accessible to the public at large. Specifically, they deal with the conservation (and re-use) of provincial monuments and play an important part in providing cultural education to young people. Provinces support municipalities in their cultural tasks. They are central to archeological activities in the province (by means of provincial databases and compulsory registration procedures). Furthermore provinces have the task to make sure regional public broadcasting stations are maintained.

6-(Financial) supervision of municipalities and water boards
Municipal annual budgets and annual accounts have to be approved by the provinces. This includes the budgets and accounts of Wgr-based municipal cooperation arrangements within the province. Additionally, provinces have the task of general supervision (not only financial) of the water boards. The Commissioner of the King (see 2.2) is involved in the process of appointing mayors of municipalities in the province. The Provincial Executive (see also 2.2) has a mediating role in conflicts between municipalities.
7-Rural development

Specifically for those provinces that are rural in nature (in the Dutch context: relatively less urbanized), rural development is an important task. Rural development includes a wide array of policy fields, which include all the tasks listed above. Recently, the issue of demographically “shrinking” regions has become a major priority in rural areas.

Another way of looking at the tasks of provinces, is to see on what provinces spend their money. It is however important to keep in mind that spending does not fully reflect the relative importance of provincial activities, as these activities to a large extent consist of regulation. To some part this involves the implementation of compliance with national legislation, but provinces are also allowed to issue secondary provincial regulation, the so-called “provinciale verordeningen”. In addition, provinces cannot conclude international treaties, but can sign international agreements and protocols.

Table 2 lists various spending categories (following a standard classification used by the Dutch organization CBS/Statistics Netherlands), for 2015. In financial terms infrastructure & transport is the most important policy field of Dutch provinces, followed by nature & recreation.

Table 2: Expenditure of Dutch provinces by category (budget figures 2015, expenditure according to accrual-based system; total and euro per inhabitant)

<table>
<thead>
<tr>
<th>Category</th>
<th>Expenditure in million euro</th>
<th>% of total expenditure</th>
<th>Euro per inhabitant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative expenditure</td>
<td>374,9</td>
<td>5%</td>
<td>22</td>
</tr>
<tr>
<td>Public order &amp; safety</td>
<td>11,8</td>
<td>0%</td>
<td>1</td>
</tr>
<tr>
<td>Infrastructure &amp; transport</td>
<td>2,938,9</td>
<td>38%</td>
<td>174</td>
</tr>
<tr>
<td>Water management</td>
<td>106,0</td>
<td>1%</td>
<td>6</td>
</tr>
<tr>
<td>Environment</td>
<td>345,2</td>
<td>4%</td>
<td>20</td>
</tr>
<tr>
<td>Nature and recreation</td>
<td>757,8</td>
<td>10%</td>
<td>45</td>
</tr>
<tr>
<td>Economic and rural</td>
<td>576,1</td>
<td>7%</td>
<td>34</td>
</tr>
</tbody>
</table>
Overall provincial expenditure amounts to appr. 7.7 bln euro, which is appr. 4% of total government expenditure. Table 3 shows the relative share of the various government levels in total government expenditure as well as a percentage of GNP.

**Table 3: Share in expenditure of different government levels in the Netherlands, and as % of GDP (2012)**

<table>
<thead>
<tr>
<th>Government level</th>
<th>Share in total government expenditure</th>
<th>% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipalities</td>
<td>24%</td>
<td>9%</td>
</tr>
<tr>
<td>Water boards</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Provinces</td>
<td>4%</td>
<td>&lt;2%</td>
</tr>
<tr>
<td>Central government</td>
<td>69%</td>
<td>24%</td>
</tr>
<tr>
<td>Total government</td>
<td>100%</td>
<td>36%</td>
</tr>
</tbody>
</table>

*Source: COELO (2015)*

More insight into “who does what?” and into the tasks of provinces within the Dutch public sector, is provided in graph 2. For various policy fields the involvement (measured by expenditure shares) of provinces is listed (in orange). Especially in environmental policies provinces are the main player.

**Graph 2: Expenditure shares of various levels of government in the Netherlands (2012)**
Legenda:
Landsverdediging = defense;
volksgezondheid = health services;
openbare orde en veiligheid = public order and security;
onderwijs = education;
algemeen bestuur = administration;
sociale bescherming = social affairs;
economische zaken = economic affairs;
vervoer = transport;
milieubescherming = environmental affairs;
riolering en waterzuivering = sewerage and water treatment;
recreatie, cultuur en religie = recreation, culture & religion;
huisvesting = housing;
afvalverzameling = waste management;
total = total

Dark blue: central government;
orange: provinces;
grey: water boards;
light blue: municipalities

Source: COELO (2015)

It is important to note that in the Netherlands in 2015 a large decentralization operation (“Decentralisaties social domein”) was put in motion, by which many tasks in the domain of health and social affairs, especially regarding youth care, have been shifted from the central
government and provincial levels to the level of municipalities. The main reason for this decentralization is that such care should be provided on a level as close to the target group as possible.

In terms of finances, provinces are largely dependent on grants from central government. These grants consist of a general (block) grant from the “Provinciefonds” and various specific grants. The “Provinciefonds” is a fund kept by the central government, funded annually by the central government revenues. The amount that is paid from this fund to provinces is determined in relation to the overall level of central government expenditure, i.e. if central government expenditure is reduced/increased the same goes for grants from the fund. Grants from the fund to specific provinces depend on a variety of parameters, including the number of inhabitants, land and water area, and length of provincial roads. Provinces are free to decide how they spend the grant they get from the fund. In addition, provinces get specific (“earmarked”) grants, which have to be used for specific tasks. Moreover, provinces levy a surtax on the central government tax on vehicles (“opcenten motorrijtuigenbelasting”). The rate of this surtax can differ between provinces. Finally, provinces get revenues from user charges and from revenue on (financial) assets (such as interest and dividends).

Table 4 shows the level of the various provincial revenues and their relative share. From table 4 it follows that Dutch provinces have a low level of tax autonomy and rely to a very large extent on central government grants. The same is true for Dutch municipalities. Enlargement of the tax domain of sub-national governments is regularly discussed in the Netherlands, but has so far not let to major changes. Currently the issue is part of a larger debate on reform of the Dutch tax system.

Table 4: Revenues of Dutch provinces (2014)

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Million €</th>
<th>Share in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block grant from “Provinciefonds”</td>
<td>1.277</td>
<td>16%</td>
</tr>
<tr>
<td>Specific grants from central government</td>
<td>2.290</td>
<td>29%</td>
</tr>
</tbody>
</table>
In terms of budgeting, provinces apply full accrual accounting since the 1980s and prepare balance sheets. The rules for provincial budgeting practices are quite strict; in addition, following Economic & Monetary Union and the financial crisis, a new legislation has come into force which limits the possibility of provinces to run (ex post) financial deficits and obliges them to deposit excess financial resources at a specific central government account (“schatkistbankieren”) rather than at commercial banks. Provinces are not allowed to engage in stock market activities.

### 2.2 Regions at work

#### 2.2.1 Democratic aspects

The members of the provincial assemblies (“Provinciale Staten”: Provincial Council) are directly elected every 4 years by the residents of their province. The parties that compete for their votes are mainly national parties, but over the last 15 years, we have seen an increase (both at the level of provinces and of municipalities) in participation by regional and local parties. The members of the provincial assemblies appoint the daily provincial executive board (“Gedeputeerde Staten”: Provincial Executive). Until 2003, members of the Provincial Executive were part of the Provincial Council (and appointed by the Council members from their midst). In 2003, a new law was enacted (“Wet dualisering provinciebestuur”) which aimed at a more strict separation of tasks and competencies of the Provincial Council on the one hand, and the Provincial Executive on the other hand. Members of the Provincial Executive are now recruited ‘from outside’, in some cases even from outside of the province. In addition, the Provincial Councils were provided with enhanced professional support (an own secretariat run by a registrar, or “griffier”). Regional Courts of Auditors were established and the Provincial Council was given more rights of enquiry.
The head of the province is the Commissioner of the King, who is nominated by the central government and appointed by the King. The Commissioner presides over both the Provincial Council and the Provincial Executive.

Another important task of the members of the Provincial Councils is the election of the members of the Senate or “Eerste Kamer”, one of the two chambers of the “Staten-Generaal”, the Dutch parliament. The other chamber (“Tweede Kamer”) is elected directly in national elections and is politically the most important. The Senate, however, has, among other rights, the right to reject legislative proposals after they have been approved by the “Tweede Kamer”.

Turnout rates for provincial elections are appr. 50% (2007: 46.3%, 2011: 55.9%, 2015: 47.8%), which is lower than the general turnout rate for national elections (which is appr. 75%). This can be explained by the fact that provinces have far less and less controversial tasks than central government.

Provinces are allowed to hold regional referendums, but these referendums can –according to Dutch constitutional law- not be made binding and are thus only consultative in nature. At this moment, 5 out 12 provinces (Noord-Holland, Friesland, Zeeland, Limburg and Utrecht) have legally established the procedures that citizens should follow to request a referendum. However, although there is an increase in the number of referendums held at the local level, this instrument has so far not been used at the provincial level.

Regional newspapers are available in all Dutch provinces, but due to mergers most regional newspapers have a monopoly position in their region. Moreover, over the last decades, many regional newspapers have become part of national publishing companies and work with relatively small editorial staff; true regional content has subsequently decreased.

Although according to international benchmarks, such as those of Transparancy International, corruption is very low in the Netherlands, recently some public corruption cases (in Limburg, and in Noord-Holland) attracted much public attention and media coverage.
2.2.2 Diversity

Although diversity, multi-ethnicity, integration and assimilation of minorities are important societal and policy issues in the Netherlands, they are not primarily provincial issues. Regional cultural identities do not necessarily coincide with provincial territories, so generally provinces are hardly functioning as vehicles for expression of such regional identities. However, this is not true for some provinces like Limburg and Fryslân. Obviously, this is very much linked to languages. Within the framework of the Council of Europe’s European Charter for Regional or Minority Languages, the Netherlands has recognized three languages: the Frisian language (“Fries”) as a minority language, and “Nedersaksisch” (used in Drenthe, Overijssel and parts of Gelderland) and “Limburgs” (used in Limburg) as regional languages. Since the 1950s the importance of the Frisian language has been recognized in several laws, mainly dealing with the status of the Frisian language in education and in legal procedures. In 1997, the official name of the province was changed from Friesland (Dutch) into Fryslân (Frisian). In 2014, a law was enacted to give the Frisian language the same status as the Dutch language in all public administrative and legal affairs. Separatism is no issue at all in the Netherlands.

Diversity in terms of economic differentials is considerable in the Netherlands. Graph 3 shows GDP per capita for the 12 Dutch provinces in 2012. The yellow part is GDP due to mineral extraction (mainly natural gas), which is located in the three Northern provinces and thus formally added to their regional income, but the revenues of which are shared nationally. GDP per capita is significantly higher in the three Randstad provinces (Utrecht, Noord-Holland and Zuid-Holland) and in Noord-Brabant, and lower in the Northern and Eastern part of the Netherlands.
In the Netherlands, there is no explicit policy of equalization of these differentials in welfare levels. The block grant for the “Provinciefonds” aims at putting provinces in the same financial circumstances, given differences in –mainly physical- circumstances. Regional economic policy is considered to be primarily a task for provinces. Central government policy focuses on the generic conditions for economic development, and on specific economic sectors that show high levels of (potential) competitiveness (“topsectoren”) rather than on specific regions.

2.2.3 EU regional policy

EU Cohesion Policy for 2014-2020 involves 325 billion euro, of which 1.2 billion euro is the Dutch “share”.

The Netherlands is eligible to funding from the following European Structural and Investment (ESI) funds: ERDF, ESF, EAFRD and EMFF (not from the Cohesion Fund). The ESF and EMFF funding are handled by national agencies, but in ERDF and EAFRD funding the provinces play an important part. EAFRD funding is handled by rural development units at provincial level. ERDF funding (including funding of European Territorial Cooperation/Interreg projects) is handled by four provincial cooperation schemes which
correspond to the four Dutch EFRD Operational Programmes. Half of the Dutch share in Cohesion Policy (appr. 500 million euro for 2014-2020) is from the ERDF, and allocated as follows to the four OPs:

- North Netherlands Alliance/"Samenwerkingsverband Noord-Nederland": 104 million euro for 2014-2020;
- East Netherlands Provinces/"GO Gebundelde Innovatiekracht": 100 million euro;
- Randstad Region/"Kansen voor West": 190 million euro;
- South Netherlands Provinces/"OP-Zuid": 114 million euro.

The objectives involved correspond to the four main priority objectives of the EFRD: strengthening research, technological development and innovation; enhancing access to, and use and quality of, ICT; enhancing the competitiveness of SMEs; and supporting the shift towards a low-carbon economy.
The administrative set-up of the Netherlands is pretty stable, without large reforms. The same holds for the position of the provinces in this set-up. The financial-economic crisis has hardly had any impact on this position, except for stricter rules for public budgeting. Upscaling of the regional level (by turning the 12 provinces into 5-7 larger regions) was proposed by central government, but failed to get support from the provinces. Two related issues are however (re)currently debated.

First, the taxing competencies of sub-national authorities in the Netherlands are quite limited. Enhancement of the provincial power to tax is advocated by the Dutch provinces and currently considered as part of a more general reform of the Dutch tax system.

Second, the emergence of regional cooperation schemes (in between the level of central government and provinces), as well as the similar development of regional cooperation arrangements between the municipal level and provincial level, is debated from the perspective of (lack of) democratic legitimacy. Whereas provinces and municipalities have directly elected representations, regional cooperation schemes are lacking such direct representation and use various mechanisms of indirect representation, often *ex post* approval by the constituent entities (i.e. after decisions have *de facto* been taken).
Useful links

- Association of Dutch Provinces, IPO: www.ipo.nl
- House of the Dutch Provinces (Brussels): www.nl-prov.eu
- Ministry of the Interior and Kingdom Relations www.rijksoverheid.nl/onderwerpen/provincies
- Dutch central government: www.government.nl
- CBS/Statistics Netherlands: www.cbs.nl
- Centre for research on local government economics (COELO): www.coelo.nl
- Netherlands House for Education and research: www.neth-er.eu