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2031: The year the city disbanded the state

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The die is cast. What everyone had been expecting for so long has occurred. The joint convention of mayors of Europe's major cities has declared that all affairs will now be handled between the European Union and the major cities. This declaration of separation was released just before the first summit of the Council of heads of state and government leaders. With this move, the major cities have in one stroke sidelined their own nation states.

The convention was summoned on the basis of an initiative of EU capitals to meet more often to exchange knowledge, share ideas and discuss urban challenges and problems they had in common. By 2015, it had become clear that not only the capitals but also the major cities were dealing with comparable administrative problems. Consequently, a group of European cities came into being that soon began exchanging knowledge, expertise and ideas. But they did not stop at this. The group began to lobby the institutions of the European Union, in particular the European Commission. States declared that they did not want to deal with this group because, in their opinion, municipalities could represent their interests within the appropriate constitutional framework in their own state. It was in response to this declaration that the convention of European mayors was ultimately established.

And now in 2031 the convention has taken the ultimate political step of burying the nation state, without further ado. This step was elucidated by the spokesman of the convention with the following pronouncement: 'People do not live in states, they live in cities.' The German city states in particular – Berlin, Bremen and Hamburg – have expressed their full confidence in this step. They already have a significant amount of experience

with enacting legislation and working with their own judicial system. Venice, Genoa and Amsterdam also foresee few problems and consider this a normal step from a historical point of view. Barcelona and San Sebastian/Donostia have also joined the convention. They recognise that the old state system no longer bears any relation to urban citizenship. They add that the governance of the city has finally been given back to the residents rather than being transferred by a historical aberration from the alleged ownership of one faraway monarch to another, equally distant government. When asked to comment, Paris declared that it did not see what had changed, as the governing had always been conducted from Paris. Vienna remarked that it had already been a city without an empire for more than a century.

During the convention, the major cities had already identified many common topics for which the Member States had done too little, not just at the state level but also at the European level. The growing polarisation of society, the influx of tourists, public and private housing, migration from within and outside the European Union, the energy transition, environmental issues, and the effects of failed financial policies were all visible on the squares and streets of major cities – and not in government buildings.

Urban innovation and activism

Dutch city councils let it be known that developments had already for some time been pushing the Netherlands in the direction of independent city states and urban agglomeration. They had made clear that they were unable to solve acute social problems on the street or in households solely within the framework of the state, which simply passed the buck. By around 2015, municipalities had already been made responsible for the social domain, which included social support, home safety, youth welfare, labour market reintegration and adequate education. As the expansion in their responsibilities was not accompanied

with an expansion in financial resources, cities began to work more closely with neighbouring municipalities. It all began with the exchange of knowledge, but it soon led to the merging of municipal services to make better use of the limited financial resources they had.

This collaboration was also intensified in the area of spatial planning. Municipalities were forced to react to developments in the tourist sectors. Popular cities such as Barcelona, Paris, Venice and Amsterdam saw their city centres change significantly: both the number of hotels and the number of residents who put their houses up for rent increased dramatically. And residents who could no longer rent a house in the ever-expanding city centre were obliged to move to the outskirts. Because these developments occurred so rapidly, huge infrastructural problems arose. Of course, cities benefit in all sorts of ways from tourists, namely through the creation of jobs and a rise in revenues from tourism taxes. Amsterdam was one of the first cities in Europe that made a tax deal with an intermediary platform for individuals renting their houses to tourists. But the income for municipalities was insufficient to solve the problems that arose, including the financing of more public transport and bike paths to transport workers to the city where they used to live. And in this way another taboo was gradually lifted: that of municipalities developing more and more new categories of tax revenue.

In addition to the tourist tax and the property tax, municipalities have become increasingly innovative in the levying of other taxes. It began with the decision to raise the tourist tax in response to the increasing flow of tourists. The tax did not have the desired effect, as the tourists continued coming. What the tax did result in is more financial resources for the popular municipalities. In the Netherlands, the property tax had been one of the few taxes that municipalities could levy themselves. Inspired by the example of London, cities began to experiment with toll charges. Amsterdam introduced a toll charge to finance extra infrastructural facilities intended to shorten the commute between the suburbs and the capital city. These projects were

taken up by Amsterdam in collaboration with other municipalities in the region such as Almere, Amstelveen, Purmerend and Zaandam. In reaction to the convention, these municipalities remarked that when it came to infrastructural problems, they dealt with Amsterdam more often than they did with the state. The fact that the metro finally connected their cities to Schiphol Airport had only been made possible by financing by the municipalities and by European Union regional funds. These funds were a new financial instrument based on a veiled tax in the form of fines the EU levied on states that violated the Stability and Growth Pact or that persistently failed to meet the obligations of EU membership.

Urban policy and global problems

A very different urban problem arose around 2015. The arrival of a stream of people from mainly Syria, Yemen and Eritrea seriously tested the improvisational talent of cities. Many asylum seekers were able to stay in Europe on the basis of the refugee status they received. And those whose requests for asylum had been rejected were officially deported, although if they did not have any identification from their country of origin they were simply put out on the street and not, according to a spokesman from the Association of Netherlands Municipalities, 'in the Kingdom of the Netherlands'. Municipalities had to deal with both groups (refugees and asylum seekers). The state had come up with an arrangement in 2014 in which five municipalities would provide emergency shelter, but this only seemed to add an extra element to the increasing disparity between Dutch municipalities. The rest of the European Union faced similar problems. Hungary criminalised the irregular entry of asylum seekers, but this did not alter the fact that Budapest had to do something about the stream of refugees. By contrast, in Germany the state and cities were much more able to work together.

In almost all Member States of the European Union, the problem of the asylum seekers generated similar policy issues.

Extra schooling for children had to be organised in addition to extra housing, integration and language courses for adults, and retraining of professional skills acquired in their country of origin. Due to the rise of all sorts of nationalist parties, politicians at the state level did not dare to touch these dossiers, as a result of which municipalities had to solve these matters themselves.

Looking back on it now, one can say that it was the asylum seekers who ushered in the renaissance in public housing. The municipal housing association was re-established and new types of social housing were built. Architects seized the opportunity to combine environmental objectives with energy-neutral housing, also primarily because the new houses had to be built cheaply. The demand for large numbers of new houses unleashed an innovative force in the entire European Union that roused the continent from a long and peaceful winter sleep.

The energy transition also needed just such a spark. State policy had been languishing and lacked innovative power. The transition to clean energy was, moreover, being hampered by the large coal and gas plants and by state interests. Municipalities throughout Europe moved back to establishing municipal energy companies, which focused on wind and solar energy. Innovative capacity was thus brought back to the level of municipalities, according to the spokesperson for energy policy and transition at the convention.

Reactions of EU institutions and Member States

The European Commission has declared that it is still considering the situation. It acknowledges that it already maintains active relations with municipalities in various ways and that a significant amount of regional subsidies and policy decisions are coordinated together with municipalities. The Commission is, however, very much aware that the European Union is still governed by the joint Member States that meet in the Council.

The European Parliament has said that it is following developments with great interest and that this matter is in theory an

internal affair of the Member States. The Parliament has declared that genuine democratic control within the European Union is of the utmost importance. It is therefore prepared to continue to guarantee and exercise democratic control over European Union territory if national parliaments are no longer able to fulfil this task.

In a press release, the Council has distanced itself from the convention. It considers the legal integrity and sovereignty of the Member States as immutable and not up for discussion. The French president reaffirmed the Council's statement, noting that France is one and indivisible. She also let it be known that the prefects are monitoring the situation and, where necessary, would take all the decisions in the interests of the state. The German chancellor asserted that she did not wish to go back in time a full century and pointed out that the Federal Republic of Germany has a constitution that allows it to operate strong and stable state institutions in a democratic setting. She also expressed her intention to put this matter on the agenda of the next Franco-German summit. The Dutch Government Information Service, meanwhile, has announced that the festivities organised for the 450th anniversary of the Act of Abjuration will be kept very sober. Amsterdam, however, sees no reason to cancel the festivities. The mayor of Amsterdam stated that he considered the fireworks in the city to be a fitting way to mark and usher in the new beginning.

The author

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