

A Bottom-up Solution to Municipal Amalgamation in the Faroes

Føroyskur samandráttur

Seinastu ártíggjuni hevur kjakið um kommunusamanlegging verið fastur táttur í politiska kjakinum í Føroyum. Tey seinastu 5-7 árin hava fleiri kommunur eisini gjørt av at leggja saman, meðan aðrar kommunur seta spurnartekin við, hví kommunur skulu leggja saman.

Hendan greinin viðger kjakið um kommunusamanlegging í Føroyum og broytta hugburðin móttvegis kommunusamanlegging. Fokus verður eisini sett á tær kommunusamanleggingar, sum eru framdar, og nakrar av orsökunum til samanlegging. Eisini verður komið inn á, at ongar kommunusamanleggingar eru framdar í einum parti av landinum.

At enda viðger greinin ósamsvarið millum politiska ynskið um 7-9 kommunur og manglandi politiska semju um, hvørjar uppgávur skulu flytast frá landi til kommunur at umsita. Hetta ósamsvar førir sum er við sær, at tað er ivasamt, nær og um politiska ynskið um 7-9 kommunur verður nátt við sjálvbodnari kommunusamanlegging.

English summary

The debate regarding municipal amalgamation has been ongoing in the Faroes for the last decades. During the last 5 to 7 years, several municipalities have also chosen to amalgamate, while other municipalities question the argument for amalgamation.

This article examines the debate regarding municipal amalgamation in the Faroes, and the changed attitudes towards municipal amalgamation. The article also focuses on the municipal amalgamations that have occurred, and some of the reasons behind the decisions to amalgamate. Furthermore, focus is also placed on the fact that no amalgamations have occurred in some parts of the country. The article also discusses the lack of consistency between the national political push

* Dennis Holm.researcher. The Center for Local and Regional Development. www.region.fo. The Faroes. Draft 6. Feb. 2007

for fewer municipalities, and the political (dis)agreements regarding decentralization of functions from the central government to the municipalities. This lack of political consistency, at this point in time, creates uncertainty about when or if the national desire to have a municipal structure with 7 to 9 municipalities will be reached.

Introduction

During the first half of the twentieth century, the number of Faroese municipalities increased from 8 in 1908 to 51 municipalities in 1967. After the last of several municipal „break-ups“ during the 1950s and 1960s (i.e. one municipality becoming two municipalities or more) the Faroese Parliament (Løgtingið) decided in 1966 to prepare a new municipal law (Kommunulógin), which came into force in 1972. The debate around the 1972 law raised (among other things) the question of municipal amalgamation. Even though the intention with the law was to get „fewer and larger municipalities“ in the Faroes, nothing really happened (Holm and Mortensen, 2004).

The debate regarding municipal structure in the Faroes was ongoing. In the 1980s and 1990s, it centered on the question of fewer and larger municipalities and the question of forced versus voluntary amalgamations. Although municipal amalgamation has more or less been on the political agenda for over 30 years, there were only a few municipal amalgamations prior to the year 2000 and, in all cases, were amalgamations with the capital, Tórshavn. But in the period from 2000 – 2004 the attitude towards municipal amalgamation changed, and within four years, the number of municipalities in the Faroese decreased from 49 in 2000 to 34 municipalities by January 2005¹.

This article examines the municipal amalgamations in the Faroes during the last 5 years. Particular attention will be given to changes in attitudes towards municipal amalgamation, and to the fact municipal amalgamations have only occurred in some parts of the country, and not in others. Last, but not least, the article will discuss voluntary versus enforced amalgamation.

Voluntary amalgamation rather than enforced amalgamation

In 1994 the Faroese Government (Landsstýrið) established a committee to devise a mandate for an investigatory committee that would, in turn, recommend a new municipal structure. The new investigatory committee, Kommununevndin (*in English: The Municipal Committee*), was established in 1996. In 1997 the

¹ According to Faroese law, decisions about municipal amalgamations can only be implemented on 1. January after a municipal election. In the Faroes, municipal elections occur every four years (in 2000, in 2004 and so on).

Kommununevndin published its first report, and in 1998 the Kommununevndin finished its work and published two more reports.

The Kommununevndin reports include a thorough description of the Faroese municipalities, their tasks and functions, their ways to solve municipal assignments, and the degree municipalities of inter-municipal co-operation (Kommununevndin, 1998a). In addition, the reports also include a proposal for a new municipal law and a new municipal structure, with fewer larger municipalities. One of the main conclusions in the Kommununevndin reports focuses on the problems with the large number of small municipalities in the Faroes, and the problems that the small municipalities have regarding:

- Lack of administrative capacity;
- Lack of economic capacity;
- The question of disqualification and conflict of interest in local affairs.

In order to solve these problems, the Kommununevndin proposed a new municipal structure with fewer and larger municipalities, a reduction from 49 municipalities (in 1998) to 7-9 municipalities. Furthermore, the Kommununevndin argued that municipalities should be allowed to amalgamate voluntarily, but if they had not amalgamated before 2002, the Kommununevndin proposed enforced amalgamation (Kommununevndin, 1998b). Another important part of the Kommununevndin report included a series of proposed changes that would create a clearer division of labour between the central government and the municipalities.

The Kommununevndin reports were presented at a general debate in the Faroese Parliament in 1999. Most of the proposals received political support, but the question that received most attention during general debate, and also met largest opposition, was the question of enforced municipal amalgamation. This question also received most attention in public debate, and met widespread opposition among municipalities and the public in general. The result of the general opposition was that Parliament turned down enforced amalgamation – the common attitude was that the municipalities should be allowed to decide for themselves if they wanted to amalgamate or not.

Later, in 2001, Parliament passed a law on voluntary amalgamation, where certain conditions had to be met, before the amalgamation could be realized. For example, the amalgamation would have to take place within specific areas – natural geographic areas – defined in the law. Further, the law also states that an amalgamated municipality should preferably have at least 2.000 inhabitants².

2 Since Parliament passed the law, there are already examples of amalgamations that have been approved by the Ministry of the Interior, which are exceptions to this part of the law.

Last, but not least, before an amalgamation can occur, the municipalities involved have to agree on specific arrangements regarding the new administrative structure, an agreement on the location of the administration and the name of the new municipality. The municipalities involved also have to agree on a timetable for the completion of the amalgamation process (Løgtingslóg um sjálvbodna kommunusamanlegging, 2001).

The general debate regarding municipal amalgamation

The debate on municipal amalgamation in the Faroes is comparable to the theoretical debate on municipal amalgamation found in other Nordic countries. In the following section, some of the arguments for and against municipal amalgamation will be provided.

Arguments for municipal amalgamation

Those, who support municipal amalgamation argue that amalgamation will generally result in better municipal services, and more professional and more efficient municipal administrations. This argument is also known from debates on municipal amalgamation in other countries; in a Faroese perspective, it should also be realized that Faroese municipalities are really small. Prior to the new municipal law of 2000, many of the smallest municipalities did not even have a secretary, or an administration. Following the new municipal law, all mayors are employed at least part-time in municipal administration (the level of involvement depends on the size of the municipality).

Another argument for municipal amalgamation concerns the question of economies of scale, and financial savings. This argument encompasses the question of better-coordinated municipal investments, as well as municipalities minimizing duplication of services. It is also argued that better coordination will result in cheaper municipal purchase of goods and services. Further, it is maintained that municipal amalgamation will result in the municipality having a larger economic base, which will make it easier to complete costly projects over a short period of time.

Last, but not least, it is also proposed that municipal amalgamation will create stronger bonds between the towns and villages, and give them a stronger profile outside the area. This argument is often used when municipal amalgamation is discussed in relation to some specific geographic areas of the Faroes (mainly the island of Suðuroy, the island of Sandoy and the island of Vágar), where local disputes between towns/municipalities are widely seen as one of the reasons for the lack of economic growth in these parts of the country.

Arguments against municipal amalgamation

The general arguments against municipal amalgamation focus on the question of

democratic loss or the fear of loss of democratic influence. This argument is especially pertinent in the case of small municipalities/villages, which fear they will lose influence over local affairs, if they become a (small) part of a larger municipality. Another argument against municipal amalgamation questions the reason for being part of an amalgamation, as it is argued that municipalities are fully capable of administrating the task, they by exiting law should administrate.

Further arguments against municipal amalgamation focus on the municipal administration being moved out of a particular town or village; thus, the distance to the administrative center is increased. The fear of centralization of „everything“ to one single town in the new municipality is a subsidiary part of this discussion.

In those areas of the Faroes where the level of municipal debt is very uneven—with some municipalities having large debts, and others with no debt, or even „money in the bank“—the question of a weaker economy, and thus higher municipal taxes, is also a consideration.

The government's argument for municipal amalgamation

Though the Faroese Parliament did not support the enforced municipal amalgamation proposed by the Kommununevndin, the Government and the Minister of the Interior have, on several occasions, indicated they think it is necessary for the municipalities to amalgamate. One of the main reasons behind this position is the desire to decentralize central administration functions to the municipalities. The present Government has argued that the plans for decentralizing functions are dependent on municipal amalgamation.

Furthermore, the Government argues that municipal amalgamation is an important part of the municipalities' ability to foster local and regional development. Larger municipal administrative units, along with the decentralization of functions, will increase the number of educated people in the regions, and indirectly provide a stronger foundation for fostering local and regional development.

The Government has accepted inter-municipal cooperation as an alternative to municipal amalgamation, but statements from the last two Ministers of the Interior clearly indicate the desire for a reduction in the number of municipalities to 7 to 9 municipalities (Dimmalætting 8. June 2005; Útvarp Føroya 27. Sept. 2006). In this discussion, the Minister of the Interior has also raised the spectre of enforced municipal amalgamation, an alternative that, at this point, most likely will not find support at Parliament.

From 49 municipalities in 2000 to 34 municipalities in 2005

During the last 5 years, several Faroese municipalities have chosen to follow the opportunities provided by the law on voluntary amalgamation. This has resulted

in a reduction in the number of municipalities from 49 in 2000 to 34 municipalities in 2005³. Overall, municipal amalgamations in the 2000-2005 period have involved 20 municipalities.

Faroese law does not require that municipalities should hold referenda before deciding to amalgamate⁴, but local referenda have been held in 15 municipalities, while 5 municipalities have not. No referenda have been held in larger municipalities, in cases where small municipalities want to amalgamate with the larger ones. This has especially been the case when the small municipalities around the capital of Tórshavn have amalgamated with Tórshavn. In these cases, referenda were held in the small municipalities, and not in the municipality of Tórshavn.

The recent municipal amalgamations have reduced the number of small municipalities and increased the number of—by Faroese standards—large municipalities. (see Table 1 below). Furthermore, the number of truly small municipalities, with a population below 100, has been reduced from 12 municipalities prior to 1. January 2005 to 5 municipalities today. The average municipal population has increased after several rounds of amalgamations, so that the average population now (March 2005) is around 1.420 inhabitants, while the municipalities, on average, prior to the amalgamations (in 2004), were around 990 inhabitants. (Hagstova Føroya, 2005).

Table 1. Faroese municipalities by size groups prior to 1. Jan. 2005 and after 1. Jan. 2005

Population	Prior to 1. Jan. 2005	After 1. Jan. 2005
Less than 500 inhabitants	29	15
500 – 999 inhabitants	8	6
1.000 – 1.999 inhabitants	8	10
2.000 – 4.999 inhabitants	2	2
More than 5.000 inhabitants	1	1

- 3 In September 2006 the municipalities of Gøta and Leirvík on the island of Eysturoy decided to amalgamate, an amalgamation which will be formalized by the municipal election in Nov. 2008. This latest of the municipal amalgamations in the Faroes will not be part of this article.
- 4 It is up to the municipal board to decide whether the municipality should amalgamate or not, but in most cases the local population (of voting age, 18 years and older) is given the opportunity to voice their opinion in a local referendum.

The amalgamations

Small municipalities joining Tórshavn

During the period from 2000 to 2004, several municipalities around Tórshavn decided to follow the „old municipality“ of Kollafjørður (north of Tórshavn)—which amalgamated with Tórshavn in 2000—and amalgamate with the municipality of Tórshavn. The first move occurred in May 2003, when Kirkjubø, west of Tórshavn, held a local referendum. And in March and May 2004, respectively, the islands of Nólsoy and Hestur held local referenda, with a majority voting for amalgamation with Tórshavn (Dimmalætting, May 26, 2003; May 24, 2004; May 27, 2004).

The Runavík amalgamations

In addition, the municipalities of Runavík and Skála have decided to amalgamate after a local referendum in October 2001 showed considerable support, with around 80 percent in favour of the proposed amalgamation (Dimmalætting, October 9, 2001). These two municipalities are located on the east and the west side of the Skálafjord, respectively, which is the most prosperous and economically dynamic area outside the capital. The amalgamation of Runavík and Skála seems to come as a natural result of an expansion of the supply base for the Faroese oil industry, where the large shipyard in Skála fits into an expected oil-related expansion on Skálafjord.

In November, 2003, and in April, 2004, the municipalities of Elduvík and Oyndarfjørður, on northern Eysturoy, also decided (Dimmalætting, November 26, 2003; April 19, 2004) to join Runavík (and Skála)- one evident reason is an effort to link themselves to the oil-related expansion in Runavík.

Amalgamation after intensive cooperation

Further, the municipalities in the northern parts of Streymoy and Eysturoy held a local referendum regarding municipal amalgamation in May 2003. Since the mid 1980s, these municipalities have participated in the most comprehensive formal inter-municipal cooperation in the Faroes – *Kommunufelagsskapurin í Sundalagnum*, which has its own administration, administrating joint concerns. Through this initiative, the municipalities involved have moved to cooperative administration in several major areas (Holm and Mortensen, 2002). After the referendum,⁵ it became clear that the five municipalities that are members of *Kommunufelagsskapurin í Sundalagnum*, as well as the small municipality of Saksun, would amalgamate by January first, 2005.

5 In the municipality of Hósvík, there was a majority against amalgamation at the referendum in May 2003. However, another referendum was held in September 2003 in which a majority was for amalgamation.

Small municipalities joining larger municipalities

In addition, the small municipality of Bøur on Vágar decided to amalgamate with the neighbouring municipality of Sørvágar in March 2004 (Sosialurin, March 23, 2004). Later, in September 2004, the small island municipality of Mykines (the island just west of Vágar) followed the municipality of Bøur and amalgamated with the municipality of Sørvágar (Dimmalætting, 27. September 2004). The municipality of Mykines only had 20 inhabitants—only a few of them live on the island year-round. Their decision to amalgamate was taken at a citizens' meeting, and no official local referendum was held (Dimmalætting, 27. September 2004).

Finally there is the amalgamation in the Northern Islands, where the small municipality of Mikladalur, on the island of Kalsoy, decided in April 2004 to amalgamate with the municipality of Klaksvík on the island of Borðoy (Dimmalætting, April 15, 2004). By contrast to most other decisions on amalgamation, the municipal board in Mikladalur decided not to hold a local referendum on the question⁶.

No amalgamations on Sandoy and Suðuroy

Though 20 municipalities are included in the municipal amalgamations that have occurred during the last five years, amalgamations have not been occurring in all parts of the country. Most of the amalgamations that have taken place are in the central part of the Faroes, on the islands of Streymoy and Eysturoy. These are the most prosperous areas of the Faroes, and the areas that have the best economic prospects.

There have been no amalgamations on the southernmost islands, the islands of Suðuroy and Sandoy. However, there have been a dialogue on Suðuroy between two municipalities (the municipality of Tvøroyri and the municipality of Sumba), but no result was reached before the deadline for municipal elections in November, 2004. On Sandoy, municipal amalgamation has not been discussed officially among the four municipal boards (five, if the municipality of Skúvoy, a small island just south of Sandoy, is included).

There are several reasons for the lack of movement on Suðuroy and Sandoy, when it comes to municipal amalgamation. First, Suðuroy and Sandoy are the areas of the Faroes which were hardest hit by the economic crises of the 1990s. Though Suðuroy and Sandoy have experience economic growth during the late 1990s and the first years of the new millennium, the level of economic growth cannot be compared to those in the more central parts of the country. Compared to other municipalities in the Faroes, the larger municipalities on Suðuroy and Sandoy are

⁶ It was likely that a referendum would exacerbate existing tensions in the community.

heavily burdened by debt. And this may, in turn, have had an effect on the attitude towards amalgamation in some of the smaller, wealthier municipalities because they might worsen their economic situation, and would increase their municipal tax levels by several per cent. Another reason for resistance to municipal amalgamation may be found in the competition between the largest towns on these islands – on Suðuroy between Tvøroyri and Vágur; and on Sandoy between Sandur and Skopun. It is notable that people in the areas that are economically worst off are afraid of losing their local political authority, perhaps in the expectation that the local authority can do something to change their situation.

Motives for amalgamation

The motives for amalgamation are quite different among the municipalities that have decided to amalgamate within the last 4 years. In most cases, there is not one single motive for deciding to amalgamate; rather it is a combination of several reasons that are behind the decisions to amalgamate.

For the five⁷ municipalities on the northern part of Streymoy and Eysturoy, amalgamation comes as a natural next step in expanding the inter-municipal cooperation they have shared for almost two decades. For the smallest of the municipalities in the inter-municipal cooperation, the municipality of Gjógv, changes in national legislation also played an important role. A large proportion of Gjógv's small population are older than 60, most of them retired with a pension. Changes in the taxation of pensions (in the first years of the new millennium) meant that pensions were not taxed any more. This removed Gjógv's tax base, and Gjógv was forced to rethink its position regarding municipal amalgamation.

The Bøur case may be seen as a decision to formally link with their functional centre, Sørvágur, which is only a few minutes drive from Bøur. Mykines, which also amalgamated with Sørvágur, has, on the other hand, become so small that it is difficult for them to investment in any local projects (Dimmalætting, 27. September, 2004)

The smaller municipalities on the northern part of Eysturoy, which have amalgamated with Runavík, as well as some of the municipalities that have amalgamated with Tórshavn, have argued that they cannot provide the wide range of public services modern citizens demand. On a more general level, many small municipalities have also mentioned governmental decentralisation as a reason for amalgamating, as they do not see themselves capable of administering larger functions.

Access to a bigger financial base and the possibility of larger local investments, thus an upgrading and expansion of municipal services, seems also to be one of

⁷ Six if the municipality of Saksun is included. Saksun was not part of the inter-municipal cooperation

the main incentives. Most of the small municipalities that have joined Tórshavn, Runavík or Klaksvík have made agreements for large new local investments over the next couple of years, ones which will be funded by the new, merged municipality (Dimmalætting, January 29. 2004).

Further, for some of the smaller, more remote municipalities (Elduvík, Hestur, Mikladalur, Oyndarfjørður, and Mykines) that have amalgamated with Tórshavn, Runavík, Klaksvík or Sørvágur, there is hope amalgamation will provide a solution to a longterm problem with declining populations.

What started the amalgamations?

Most of the above mentioned motives for amalgamation were legitimate reasons for amalgamation 10 years ago. But at that time, many of the municipalities were reluctant to begin an amalgamation process. This raises one interesting question: What has triggered the municipal amalgamations we have seen during the last five years?

The answer is partially to be found in the work that the Kommununevndin finished in 1998. In the aftermath of the Kommununevndin reports, the government has continued the work on simplifying the division of labour between the central government and the municipalities. This has put pressure on the administration of the smaller municipalities, as the demands have increased over the last 5 to 7 years. The expectation of more assignments being decentralized to the municipalities raises the prospect of more stress on local administrations. This has put strain on many of the small municipalities, and they have been forced to amalgamate.

The ongoing rhetoric about the necessity of municipal amalgamations has also been a reason for the high number of municipal amalgamations. The government has, on many occasions, emphasised the importance of larger municipal entities for purposes of decentralization. During the past 3 to 4 years, the government has also emphasized that when tasks are decentralized from the central administration to the municipalities, it is required that the new local administration will cover a minimum number of inhabitants. If the small municipalities cannot agree with other municipalities to solve this task in inter-municipal cooperation, they will have to „buy“ these services from a larger municipality.

An additional factor, which also may have played a role in the municipal amalgamations over the recent years, is the change of local identities or change in the strength of local bonds. In the first part of the twentieth century, village identity was one of the main reasons for creation of a large number of municipalities in the Faroes. In most cases, one village was made into one municipality. The motives for the creation of the one-village municipalities was by and large, that

inhabitants in one village would not accept the idea that investment should be made in neighbouring villages. With expansion and modernization of the Faroese infrastructure over the last 4 to 5 decades, the boundaries between the towns and villages are not as clear. Furthermore, the centralization of public services as well as the centralization of private trade and services to larger towns, has resulted in the creation of functional centres. The bonds to the village are weakening, and it has become a legitimate option to discuss and even be part of an amalgamation. Finally it is also possible that the general debate about larger political entities, both regarding communities of countries (the EU), merging of larger companies and municipal amalgamations, has had an effect on the attitude towards municipal amalgamation in the Faroes

Two types of voluntary amalgamation

When focusing on municipal amalgamation in the Faroes, one can be distinguished between two types of voluntary amalgamations. First there is the case of the small municipalities amalgamating with larger ones. Second there is the case where municipalities amalgamate and create an „entirely“ new municipality.

Small joining larger municipalities

The case of small municipalities amalgamating with larger ones accounts for a large proportion of the amalgamations that have occurred during the last five years. All of the amalgamations that have been made with the municipalities of Tórshavn, Klaksvík, Sørvágur and Runavík fit this pattern. For the larger municipalities, it is a case of business as usual – a case, for then, of another small neighbourhood becoming a part of, and being fitted into, larger priorities. The amalgamations with Tórshavn, Klaksvík, Sørvágur and, partially with Runavík, have had only a minor effect on the administration of the municipalities.

Though the changes for the larger municipalities are minor, the changes for the small ones, who join the larger ones, are in many cases immense. The small municipalities that have amalgamated with the municipality of Tórshavn have all made agreements, which in the short term will improve the local standards of municipal services to a level that (because of the financial costs of the improvements) was not attainable prior to the amalgamation. The small municipalities that have amalgamated with Klaksvík, Runavík and Sørvágur have also made similar agreements, though „smaller“ than the ones made in the Tórshavn area.

Another main improvement for the smaller municipalities is that they now have access to a more professional municipal administration. Many small municipalities did not even have an administration a decade ago, and the administration that small municipalities have today often consists of one person, often on part-time. For most of the small municipalities that have amalgamated this is now changed,

as they have access to a more professional administration. But for some of the small island municipalities that have amalgamated with Tórshavn, Klaksvík and Sørvágur, inhabitants are required to travel by boat to get to the municipal administration in person. This makes access to the municipal office more difficult than earlier, but this is not necessarily a problem, as most of one's business with the municipal administration can be done by phone, fax or e-mail.

On the negative side, is the loss of influence over local affairs, and there are examples of cases in municipalities, which now have amalgamated, where people are dissatisfied with the job their „new“ municipal administration (now geographically situated in another town) does.

Though the decision to amalgamate looks positive in the short term, for most of the smaller municipalities, it is at this point difficult to say how long-term relations will turn out.

Creation of a „new“ municipality

There is only one case in the Faroes where municipalities have amalgamated and create an „entirely“ new municipality; this is the case where six municipalities in the northern part of Streymoy and Eysturoy have amalgamated and create the „new“ *Sunda Kommuna*. For five of these municipalities, the step from inter-municipal cooperation to amalgamation was not a large one, though there was an opposition to the idea of one municipality. Today the municipality of Sunda has one administration, which employs the staff formerly employed at the five municipal administrations, as well as the secretary for the inter-municipal cooperation, who heads the new municipal administration.

What could a bottom-up solution lead to?

The central government preference in the Faroes has, for the last 5 to 10 years, been for 7 to 9 municipalities. But on a political level, a bottom-up solution – voluntary amalgamation – has been preferred to a top-down solution – enforced amalgamation. The argument behind this latter preference is the notion that it should be up to local authorities to decide whether they want to be part of municipal amalgamations or not. Thus, the political focus has been on the democratic rights of locals. This has also created some problems, seen from a central political point of view. First, a bottom-up solution will not necessarily result in a reduction to 7 to 9 municipalities. Second, when based on voluntary municipal amalgamation, the changes in the municipal structure will most likely be made over a long period of time. This will affect the government's plans regarding decentralization of assignments to the municipalities, as differences in sizes of municipalities also will mean different administrative capabilities. Third, financial benefits (access to higher municipal investments by joining a wealthier municipality) have

been among the major motives behind several of the municipal amalgamations that have occurred in the Faroes during the last few years. In some part of the country, mainly on the islands of Suðuroy and Sandoy, the municipalities are the most indebted in the country, and have a lower income-tax base. Thus, there are no direct financial benefits encouraging municipal amalgamation. On the other hand, municipal debt is also likely to be a reason for not being part of an amalgamation with municipalities that are heavily indebted. The poor economic situation that some municipalities are in can also result in different levels of municipal services, where the new (amalgamated) municipalities have a stronger position, compared to the indebted municipalities.

Overall, there are a significant number of uncertainties connected to the political solution Government (and thus also Parliament) has chosen in its aim to reach the political goal of a municipal structure with 7 to 9 municipalities. One apparent problem is that the Government has, until now, failed to agree on which new decentralized functions the municipalities should administer in the future, even though there is an ongoing public debate about decentralizing assignments to the municipalities. This obvious problem does not encourage voluntary municipal amalgamation and some of the larger, more central situated municipalities, have stated that they are waiting for a more detailed plan.

Bibliography

Hagstova Føroya. 2005	<i>Statistical Yearbook of The Faroe Islands.</i> Tórshavn. Hagstova Føroya.
Holm, Dennis and Bjarni Mortensen. 2002.	<i>Kommunalt samstarv – ein onnur loysn enn kommunusamanlegging.</i> Klaksvík. Center for Local and Regional Development.
Holm, Dennis and Bjarni Mortensen. 2004.	<i>Regional Development in the Faroes: What is the Right Size for Effective Local Government? Pp. 193-220 in Reginald Byron, Jens C. Hansen, and Tim Jenkins, Regional Development on the North Atlantic Margin,</i> Place: Ashgate Publishing Limited.
Kommununevndin. 1998a.	<i>Frágreiðing um kommunurnar. – Nýggj kommunal skipan í Føroyum. Táttur I, Partur II.</i> Tórshavn. Føroya Landsstýri.
Kommununevndin. 1998b.	<i>Nýggj kommunuskipan. Niðurstøða og tilmæli. Táttur II.</i> Tórshavn. Føroya Landsstýri.

Lóg um barnavernd. 2005	<i>Løgtingslóg nr. 18 frá 8. mars 2005 um barnavernd (Law on Child Protection). Tórshavn. Føroya Landsstýri.</i>
Lóg um sjálvboðna kommunusamanlegging. 2001.	<i>Løgtingslóg nr. 77. frá 08.05.2001 um sjálvboðnar kommunusamanleggingar. (Law on voluntary municipal amalgamation). Tórshavn. Føroya Landsstýri.</i>