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The Oxford Handbook *of*
URBAN
POLITICS

THE OXFORD HANDBOOK OF

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URBAN POLITICS

Edited by
KAREN MOSSBERGER,
SUSAN E. CLARKE, AND
PETER JOHN

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THE OXFORD HANDBOOK OF

URBAN POLITICS

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CHAPTER 1

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STUDYING POLITICS IN AN URBAN WORLD: RESEARCH TRADITIONS AND NEW DIRECTIONS

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KAREN MOSSBERGER, SUSAN E. CLARKE, AND PETER JOHN

WHY study urban politics? One reason is that the study of urban politics captures the rich experience of the urbanized areas in which the majority of the world's population now lives (United Nations 2010). So studying urban decision-making covers the subject matter of much of political science. Yet, this begs the larger question of what knowledge can be gained from examining *urban* politics rather than politics in general? After all, it might make sense to study public policy as it is implemented in urban areas, such as education, housing, urban renewal, and culture; or to analyze political participation more generally, as most votes are cast in cities, and protest and even revolutions start in urban centers—witness Egypt in 2011. Why should we study urban politics across countries, as we advocate here, when cities are embedded in different national political systems? Surely, the main variations that interest political scientists occur across states rather than within them?

In contrast to these arguments, we view urban political research as making an essential contribution to understanding political phenomena more generally, as well as to the specific context of local politics and urban environments. That is, we need

to conceptualize and understand local/urban political processes, public problems, and forms of decision-making in relationship to a particular space or location, rather than just analyze the subareas of voting, policymaking, and social movements. Urban political scholars examine the politics of local areas as a set of linked processes, which vary considerably within the nation-state. These variations are tied to the specific constraints and traditions of particular places, which provide cases of political representation and policymaking. In this way, national politics is built from and is constituted by varied and complex subsystems in urban areas. Urban politics is both a field in its own right, with particular dynamics and constraints that vary from place to place; and an area of research that tells political scientists and other scholars much about politics more generally, whether at the local, national, or supranational level. Moreover, the existence of subnational areas across countries provides a unique research opportunity to extend the range of generalization, as scholars can observe variations both across and within countries. Today, the politics of urbanized areas reflect the ways in which societies deal with issues such as social and economic change, and how they attempt to realize their visions of democracy, inclusion, and justice. The study of urban politics offers a view of globalization and the diffusion of policy ideas in an age when urban areas and societies are ever more connected through an international economy, a shared environment, increased immigration, and more advanced information technology networks. Thus, it is no surprise to find urban scholars pursuing comparative research.[1]

With these opportunities in mind, the *Oxford Handbook of Urban Politics* has several goals: to present the diverse approaches to urban politics that populate the field today; to showcase new directions and emerging agendas; and to advocate a comparative perspective for urban analyses. The unique contribution of this volume is to provide a cross-national outlook on issues and research approaches across many different topics in urban politics.

Dialogue across countries necessitates a common conceptual language. While there are different traditions, with most European researchers referring to local politics, and North American scholars using the urban nomenclature, the various chapters show there is a basis for common agreement. At its most straightforward, urban politics is about authoritative decision-making at a smaller scale than national units—the politics of the subnational level, which is something that scholars from Europe, North America, and the rest of the world can agree about. Additionally, understanding the breadth of urban politics in the twenty-first century increasingly draws on a metropolitan perspective, including those who live in urbanized areas as well as the central cities (see Stoker 1998, 120 in Britain; and the Brookings Institution 2010 in the U.S.). Similarly, we construe the concept of urban politics broadly, as related to local governance as well as local government in urbanized areas.

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1. Examples of attention to comparative research in urban politics in recent years include Sellers (2002), Kantor and Savitch (2002), Pierre (2005), Denters and Mossberger (2006), John (2001), DiGaetano and Strom (2003), Denters and Rose (2005) to name just a few.

While we have encouraged authors to connect their work to main currents in political science when possible, we have also urged them to discuss what is distinctively urban or local, and the contribution that an urban viewpoint makes. For example, the local character of urban politics also carries special significance in democratic societies. John Stuart Mill wrote that local governments are "schools of democracy" that afford greater participatory opportunities than other levels of government. Reality may sometimes be far from this ideal, as the Clark and Krebs chapter on local elections points out. Yet, urban politics has always the potential to be more participatory because local issues are also immediate, affecting the quality of life for residents in ways that are often readily apparent. At the same time that some forms of participation, such as voting, are declining on the local level, urban politics may yield new models for civic participation, that take advantage of the smaller scale and potential for greater interaction. Grassroots participation and representation are central concerns in urban politics, as discussed in the chapter on neighborhoods by Blokland and Horak and on social movements by Mayer and Boudreau. The concept of social capital has permeated nearly every area of social science, but it has special resonance in local politics, as Hero and Orr show in their chapter. Certainly, the study of urban politics provides a window into important questions and problems in democracy at the level closest to the citizen.

1. Comparative Thinking and a Bold Experiment

The contributions in this *Handbook* present a critical assessment of the state of theory and research on each topic, including methods, debates, and questions for future research. For this volume, however, we challenged authors to go a step further, and to bring a comparative perspective to their observations. The aims of this volume are comparative, but in the sense that we asked authors to assess research from multiple scholarly communities rather than to conduct cross-national research. In doing so, we hoped to move beyond a U.S.-centric volume and encompass the work of urban scholars in the UK, Canada, Europe, and elsewhere. Taking a comparative perspective allows us to compare empirical findings across studies in different countries, such as whether structural differences in local elections affect policy responsiveness. Theoretically, we can ask whether concepts such as "the just city" have different meanings across borders; or whether we can usefully compare local cultural conflicts in Europe and the U.S. Cross-national research on issues can also illuminate trends. Local government reforms have swept across countries, but does this represent convergence? A comparative approach allows us to consider evidence on interdependence, convergence, or persistent differences in urban political phenomena, as well as the implications of these trends for policy, politics, and scholarship.

To do this most effectively, we tried to stimulate a cross-national dialogue even where little had existed. Many contributions are written by paired authors from different sides of the Atlantic, chosen by the coeditors. Some had worked together before, but most had not. We matched junior scholars with senior colleagues when possible, and included authors from geography, sociology, and other social sciences. While the development of similar literatures or explicitly cross-national research differs across topics, we found many scholars doing related research across countries.

The comparative lens in this volume mainly reflects a North American and European focus. Restricting the scope primarily to these societies is intended to avoid comparing too broadly across widely varied contexts, where concept-stretching and theory become problematic (Sartori 1991, Collier and Levitsky 1997). Still, several chapters do acknowledge the growth of research on urban politics in developing countries. Goldsmith's chapter on intergovernmental relations examines trends in developing nations, and the Mayer and Boudreau chapter includes social movements in the global south. In the emerging agendas section, Stren considers critical issues for current and future research in these increasingly urban societies.

2. Innovation and Diversity in Urban Politics

In the following pages, we showcase "agenda-setting" work that is shaping the field. Readers will recognize familiar core themes of urban politics such as community power, growth and decline, poverty, and race. But, many chapters offer new insights based on contemporary trends. For example, Marschall and Shah indicate a need to study the politics of race and ethnicity in smaller cities in the U.S. because of the demographic change that has occurred in such communities. The chapter on local agendas is coauthored by scholars who have challenged urban political scientists to pay more attention to general theories of politics such as punctuated equilibria (Sapotichne, Jones, and Wolf 2007). Other chapters reflect the evolution of urban research in the last decades, addressing topics such as wired cities, sustainable cities, and the just city.

The first section of the volume introduces urban theory and research related to power and participation. The authors in this section demonstrate the diversity of theoretical approaches employed in studying urban politics, including institutionalism, rational choice, governance, and electoral behavior. While these theoretical frameworks are applied outside the urban context as well, the local vantage point yields important advantages, such as the ability to study interactions within systems of multilevel governance.

The second section addresses institutions and democratic practices within cities. The contributions range from research on the informal practices in neighborhoods

and social movements to the changing formal structures and bureaucratic reforms that have characterized local government and intergovernmental relations in many countries.

The third section explores "Politics and the Changing Social Organization of Cities," including issues such as social capital, cultural conflicts, polarization and enclaves, race, ethnicity, immigration, and poverty. The diversity of cities makes them the ideal place to study these important issues and their implications for politics.

The fourth section on urban policy emphasizes the particular processes and politics of urban policy. Authors discuss what cities do across countries (the policy role that they play), and agenda-setting at the local level. Rather than trying to cover the many different substantive domains that are important for urban policy, chapters focus on selected areas of policy. These are issues that have animated the urban literature in recent decades (such as growth and decline, and economic competition) or that currently have special significance in the urban setting (such as security and environmental sustainability).

The concluding section, "Emerging Research Agendas," represents recent trends in urban politics and new issues that are likely to influence research and theory in the future. These include a recognition of the changing context of "the urban," in the suburbs and metropolitan regions of more developed countries, and the rapidly urbanizing centers of the developing world. Chapters examine the impact of technology on democracy and governance, and normative questions about social justice and urban politics. In the conclusion, Clarke provides an overview of themes that appear throughout the volume. Overall, the contributions in this *Handbook* demonstrate the many ways in which the policy-oriented and contextually grounded research typical of urban politics strengthens and extends our understanding of contemporary political and social dynamics.

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POWER AND PARTICIPATION IN URBAN POLITICS

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CHAPTER 2

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POWER

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CLARENCE N. STONE

For a period beginning in the 1950s and running through much of the 1970s, power was a central topic in political science, both in urban politics and more generally. The 2006 Annual Meeting of the American Political Science Association brought a brief return to prominence with "Power Reconsidered" as its theme. Notably, however, Richard Valley's introductory essay to the program commented that after those opening years the topic of power "lost much of its fizz." He did suggest that there are signs of a cautious resurgence of interest, reflecting not so much a shift in fashion as a reality that, when all is said and done, much of political science is about power, even when treated, as often it is, obliquely.

One way of approaching this important but elusive concept is through a window of city politics, or what is commonly called community power. Alan Harding, for example, links power and place-shaping policy. In his examination of the urban arena, Harding allows ample room for political agency but without ignoring structural inequalities that form its context (2009).

1. POWER IN CONTEXT

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The complexity of the urban setting illustrates why power can be a matter of wide-ranging debate. Start with a basic conception. Power can be broadly understood as the capacity to make things happen that otherwise would not happen. It is a significant form of causation, but can come in various forms. In the Max Weber tradition, Robert Dahl emphasizes conflict between intentional actors—A

This chapter draws on an earlier conference paper coauthored by Peter John.

has power over B to the extent that she can get B to do something B would not otherwise do (1957: 202–3). This basic scenario assumes that preferences are set and power is that which determines the outcome in a straightforward instance of clashing wills.

A different school of thought de-emphasizes individual actors in favor of power as a feature of a collectivity (Boulding 1989; cf. Hartsock 1983). Relations within the collectivity are crucial. The individual preferences of members of the collectivity may be malleable instead of firmly set, and they can vary in intensity. If the collectivity is able to act cohesively and effectively in pursuit of its chosen aims, then it is powerful. If unable to do so, it is weak. With this backdrop, consider how governing alliances form and evolve. While participation in an alliance may provide an opportunity to pursue policy aims, it may also require resource commitments and tacit obligations to become part of the alliance.

Think beyond the question of who prevails when A and B, with their fixed preferences, clash. A wider range of possibilities is at issue, and one lens for viewing them is asking who is and is not part of a governing alliance at a particular moment in time and why. Questions about alliance formation are a first step for moving past the question of "who governs," and it can be taken without letting go of inquiry into the role of choice-making agents. Asking simply "who governs" tends to reduce power study to a question of which body of individuals governs when political scientists in reality are interested in the choices key actors make within structures and constraints, and in the light of the leanings and choices of other actors.

Focusing on a body of individuals is an understandable misstep. Everybody who has carried out a study of policy leadership in the city inevitably dwells on the handful of people who seem to run the city whether it is old party bosses or a group of powerful business members, not least because those interviewed often talk in such terms. It is not easy to avoid a reduction to "which individuals." Transporting the analysis away from finding a group of powerful individuals may seem like a search for amorphous and depoliticized structures. It can lead to terms like "power structure" or the third face of power (Lukes 2005), which may be appealing but in the end get rid of politics. It also creates an entity that is very hard to study and that makes difficult the testing of hypotheses in a manner that is consistent with practice in mainstream political science.

The empirical dead-end that the debate about community power reached in the 1970s was partly a result of reification. In reality, the operation of power is embedded in a body of relationships that are far from static. Attention needs to go to both the operation of power and the field of relationships within which it occurs. In short, both agency and context matter. Community power then is not something to be distilled from actions and attributed to individuals, but rather is a body of relationships over which political agents engage in ongoing struggle. So where to begin? Alan Harding's recent essay offers a particularly useful springboard (2009).

2. Alan Harding and Agency

Harding's strategy is to build selectively on the old to move toward something new. He offers a brief history of the concept of community power, emphasizing that choice-making agents are at its core. His approach is thus compatible with (but not identical to) a rational-choice approach. In Harding's account, the community-power debate in its origins rescued human agency from an early urban sociology tied too closely to "blind imperatives" derived from a structural logic (2009: 29). Pluralists (who thought power was dispersed in the government structure) and their critics (who saw the governing process as not open and inclusive) alike found that there was not a single elite of wealth and status who governs a city, but that there were issues, debates, and political struggles. For his part Harding gives power a context by writing about community (urban) power as opposed to something abstract and context-free. The latter approach, Harding argues, is inescapably beset with unresolved questions about the nature and measurement of power in some essential sense. Harding thus stays clear of many esoteric and fine-grained theories of power and instead seeks to illuminate major features of the political landscape as they bear on the urban condition. He embraces a political-economy perspective (perhaps thereby underplaying the roles of race and gender), but he nevertheless puts us on a path toward recognizing the central place that power holds in urban political analysis.

Harding reminds us that the power debate came about, not from a dispute over generic qualities of power, but from inquiry into the workings of representative democracy in the local arena. Floyd Hunter (1953), thought of as a leading voice in an elitist school of politics, challenged the textbook version of democracy on the grounds that a civic and largely business-centered elite controlled agenda-setting in Atlanta. He also charted a path of reform that he believed would bring practice nearer to the ideal of inclusive representation. Robert Dahl, the iconic pluralist, presented New Haven (1961) as a realistic version of representative democracy, but one that in Dahl's case emphasized the political skill of an entrepreneurial mayor in building support for an ambitious redevelopment agenda despite the presence of strong centrifugal forces. Harding presents both sides of the community-power debate as concerned with "collective, place-shaping choices" and how they were made (2009: 32).

Framed in this way, the power debate is not about an unanchored query into the abstract nature of power, but instead is a concrete inquiry into how the politics of place-shaping constitutes itself. Indeed, Harding believes that the earlier unbounded debate about power lost appeal as it took a de-urbanized form and became more and more a conceptual argument (2009: 31). Grounding in the global and intergovernmental setting is relevant and, one could argue, today it is even essential. Yet Harding views this grounding, not as a matter of imposing an external logic, but as simply providing a context in which policy is forged through the "struggles and bargains between different groups and interests" (2009: 35).

By implication, power is inclusion in the process of making place-shaping decisions, and powerlessness is exclusion from that process. We should not think of this

as a refined operationalization but only as a useful starting place in marking the political landscape and exploring its major features. Later in the discussion I offer a way of thinking about the exercise of power that is less conventional than what is suggested by the phrase "struggles and bargains."

Harding is clearly more in the camp of Floyd Hunter (rightly understood) than Robert Dahl. Although Harding does not go very far in laying out the specifics of how "collective place-shaping" takes place, he draws two closely related conclusions from past work. He notes that the community-power debate thoroughly demolishes the notion that the politics of place-shaping consists of anything so simple as elected officials translating the desires of citizens into policies that embody those desires. Instead he underscores a business bias: "the capacity of business groups and business 'needs' to shape policy agendas and decisions" (32). Harding quotes Charles Lindblom's *Politics and Markets* (1977): "business executives come to be admitted to circles of explicit negotiation, bargaining, and reciprocal persuasion, for which ordinary citizens are excluded" (quoted by Harding 2009: 34; p. 179 of Lindblom). In short, not only does business enjoy a special position because of its control of investment capital, but also its resources and position give it an inside post against which outsiders ("ordinary citizens") are little able to contend.

Harding focuses very much on the entrepreneurial city (see Harding et al. 1994), and thus argues that concerns and issues do not spring up in a vacuum; they arise and get filtered through ongoing connections and capacities to act. This does not mean that established relationships are beyond challenge. Indeed some national policies are launched with the aim of altering embedded local relationships, whether it be President Lyndon Johnson's Great Society or Prime Minister Margaret Thatcher's neoliberal remaking of Britain. But, as Harding argues, bounded human agency is an integral part of the process. Nationally backed efforts to remake relationships encounter inertia and resistance. National policymakers face unresponsive institutions and they also suffer from a lack of information in the center about local challenges. This of course may increase the salience of power relationships within local authorities and reduce the extent to which excluded local actors can draw on groups outside the locality to fight on their behalf.

Harding offers little elaboration of the struggles and bargains that constitute human political agency, but he clearly sees much more than decisional power at work. For attention to broader aspects of power, we need to look further afield and reconsider the faces of power, while adhering to Harding's insistence on agency and its applicability to the urban (that is, the collective, place-shaping) arena of policy.

3. THE FACES OF POWER RECONSIDERED

There was a time when every student of politics was introduced to the different dimensions of power, summed up in an essay by Lukes (1974, 2005). On one side were the pluralists who focused on observable conflict and decisions; the second

side was about the way in which powerful interests ensured that some issues were not on the agenda—nondecisions. Added to the two faces of power was the third dimension: ideology and political consciousness were among the terms used. Instead of pursuing shades of difference among these and related terms, below I employ "the faces of power" as a rough composite and steer clear of the more esoteric aspects of power as a phenomenon. Instead I adhere to Harding's call for a simpler line of inquiry.

My concern is to shift the emphasis from particular decisions and short-term outcomes to that of policy direction. Any mobilization may be a precursor to change in durable relationships, but that is a matter to be determined by research not by assumption. Durable relationships are the bedrock on which community power is exercised, and exclusion from those networks is a source of powerlessness. In bringing agency to light, I propose that such relationships, not particular individuals, be the main objects to keep in mind. Political agency does not mean action by disconnected individuals. Choices are made in a social context, and how relationships pervade the pursuit and foreclosing of choices is at the heart of the study of urban politics.

Consider an example that demonstrates the difficulty of exercising power for the excluded. In a study of gentrification along Chicago's Lakefront, sociologist Mary Pattillo widens the lens to include race and class (2007). Tracing the experience of public housing tenants in high-rise buildings and the many assurances they were given about no displacement from the old until the new was available, Pattillo concludes that "promises are political acts" (256). She elaborates:

> Over time, [promises] are pronounced, manipulated, retracted, and denied within a context of unequal abilities to define the situation. Public housing residents were from the very beginning fearful that the announced plans to rehabilitate the Lakefront Properties were nothing more than a front for actual designs to reclaim now prime lakefront land for the wealthy.... Their fears were dismissed as paranoid, and they were placated with promises of renovated buildings to which they would have the first opportunity to move back. But public housing residents seemed to be the only people whose memories endured through successive CHA, HUD, mayoral, aldermanic, and civic administrations. When they tried to commit their memory to paper in the form of contractual accords and agreements, they were still foiled by mercurial arrangements and porous legal mechanisms. (256)

Pattillo concludes: "the marginalization of poor citizens from the social networks of power allows public actors to define and redefine situations to further their own interests" (256).

At another point Pattillo assesses the situation this way: "Public housing residents did not have access to powerful networks. They were unable to hold institutions accountable. They could not define the terms of the debate. And because of their poverty, their claim on cultural, moral, or civic legitimacy was constantly called into question" (225). They lacked a place in the kinds of networks (relationships) that facilitate participation in the governing process.

Pattillo's analysis shifts the spotlight from those in a position to be an effective part of authoritative collective decision-making to those left outside. "Marginalization" is the key term she applies to those who are essentially excluded from the governing process. To her study, we can add many others about the poor and excluded in a long line of urban research from the 1960s to the present day (e.g. Gaventa 1980).

It is important to move from the easy cases of lack of power to the more ambiguous ones. Marginalization is rarely absolute (Cohen 1999). It is subject to change and can operate as a matter of degree, but is still a factor that counters the notion of a neutral playing field. In an earlier study of school desegregation in the 1960s, Robert Crain had found that the issue was never addressed on a blank political slate (1968). Civic and political relationships in place largely determined how responsive localities were to compliance with orders to desegregate. Where cosmopolitan elites had an established role in the education arena, as in Atlanta and Baltimore, peaceful desegregation was more likely to take place. Where they lacked such a role, as in New Orleans and Boston, turmoil and even violence were more likely to occur. Issues surface in a context of relationships already established. These relationships can be modified, but doing so is likely to be slow and difficult unless backed by substantial resources and by actors in a position to give change a sense of urgency. But sometimes a powerless group can get a break if their concerns fit a topic that catches on in the local agenda or if another group embraces their cause. As Dowding (1996) argues, that does not make them systemically powerful. But it does highlight the importance of contingency, opportunity, and political skill and timing.

A number of elements need to be taken into account in a relational understanding of power. Guideposts include:

3.1. Policy Direction

The evidence to be considered does not come from isolated decisions here and there, but rather from a flow of decisions, actions, and inactions over time. Because any given decision is subject to reversal or modification with a slight shift in circumstances, multiple observations are better than one or even a few. The aim is to understand a policy direction, not a given outcome at some particular point. Moreover, because power is not static, it is the trajectory that is important. And this means that shifts or modifications in direction are among the things to be examined closely.

3.2. Scope of Agency

Agency in collective, place-shaping choices comes in varying scopes. Some efforts may be responses to specific, short-term problems; but others may be part of a priority agenda. Though it might seem to some that the political landscape favors

narrow, ad hoc decisions because they require less broad and less sustained action, the experience of Pattillo's public housing tenants suggest otherwise. Ad hoc concessions often prove not to be lasting. They are subject to significant crosscurrents. In some instances actors see the need for broad, long-term policy responses to problems and challenges, and they may set in motion courses of action that run counter to various ad hoc responses guided by unrelated considerations. To the extent that they succeed initially in their pursuits, ad hoc efforts inconsistent with broad and substantially supported aims are likely to be overrun or thrust aside, as was the case for public housing tenants seeking to retain space on Chicago's Lakefront. Though agendas themselves can be altered or replaced, they, not isolated decisions, are the major landmarks for policy direction.

3.3. Decision Processes

With scope of policy in mind, we can see why political activity is not confined to substantive issues. Especially for those with ample resources, efforts may go into developing or defending a favorable decision process, as portrayed in the second face of power. Think of it as investing in production as opposed to spending on retail goods (Stone 1982). Though calling for an investment up front, it is generally more efficient to expend resources on a process likely to yield favorable decisions than it is to influence decisions one by one. Consider how, for example, New Haven's Mayor Lee created a redevelopment process insulated from the city's board of aldermen and kept it closely tied to the office of mayor. In a similar move, Atlanta's governing coalition placed that city's redevelopment process with the Atlanta Housing Authority, an independent agency well insulated from popular pressures by virtue of a board of commissioners appointed for long, staggered terms of office. The faces-of-power issue thus calls for determining who is in a position to invest in (shape) the decision process and can bring together the resources to do so and who, like Chicago's tenants of public housing, lacks such a capacity.

3.4. Coalition-Building

In devising processes and pursuing place-shaping goals, actors in the collective decision process are not only potential rivals, they are also potential allies. A key part of the urban political scene revolves around the formation of policy coalitions and the emergence of some as usually able to control the agenda-setting process. Coalitions may be built pragmatically over time, hence developed in stages. Effective coalitions are not necessarily composed of like-minded members or members with similar value commitments (contrast Sabatier and Jenkins-Smith 1999). For example, a remarkable feature of Atlanta's long-running biracial coalition is that its members do not share a common ideology (Stone 1989). Instead this coalition consists of black political and business leaders who came together with white business and political leaders around an agenda framed by the slogan "the city too busy to hate." This slogan joined together the economic-growth goals of Atlanta's white business

leaders with the racial-change goals of the city's black community. Framing, of course, does not stand alone, but can be combined with the distribution of selective incentives and the accommodation of sundry small-scale policy aims (Stone 1989). Although lines of cooperation are not predetermined, some connections, as Lindblom recognizes (1977), are more easily made than others (see also Stone 1980). And, as both Lindblom and Pattillo make clear from quite different perspectives, the making and maintenance of contacts is a valuable asset for building trust and facilitating alliances. Those without such contacts are greatly disadvantaged.

3.5. Choice in a Multilevel Setting

Though hardly formed on a neutral playing field, creative choices in a multilevel setting are part of the picture and potential sources of change. Thus it should also be borne in mind that relationship building at the local level does not operate in isolation. As Harding notes, cities are not "self-contained and independent entities" (2009: 32). Central government can alter the terms of local interaction by putting resources into the picture for designated purposes or altering rules of operation. For instance, Savitch and Kantor found in their cross-national study that the intergovernmental system can greatly affect place-shaping choices (2002; see also Sellers 2002). The Chicago example illustrates the impact of fiscal decentralization in creating incentives for real estate development on the agenda of American cities, although the extent and manner of pursuing those incentives is by no means a foregone conclusion. Countries differ in the degree to which they operate in an integrated manner across levels and also in the degree to which they make use of policies such as fiscal equalization. In addition, entities such as the European Union can bring still another layer of actors into play.

3.6. Policies in Complex Bundles

Real-world policy choices often are not simple and clear cut. Policy alternatives may come in complex bundles, and so another consideration is the matter of trade-offs (Jones 1994). Preferences in the abstract are one thing; preferences in reality are a different matter. Most choices involve opportunity costs. Pursuing one preference may mean foregoing another. Finally, achieving an intended aim may not be the end of the story. A given policy goal achieved may turn out to have unanticipated consequences.

   One might be tempted to assume that the preferences of actors involved in collective choice-making are based on self-interests, and let it go at that. Such interests are undeniably a strong factor. However, they are not self-defining. We human beings are creatures of bounded rationality (Simon 1956; Jones 2001). We have limited understanding of the world around us and an incomplete repertoire of experiences to draw on. Because we do not know some aspects of complicated issues, discovery is a potential part of preference formation (Cohen and March 1986).

Another factor is feasibility (Chong 1991). Each of us discounts some preferences as being unrealistic. We give them little weight because we see them as infeasible, but circumstances and understandings can change perceptions.

Consider, for example, a group of city business executives concerned with place-shaping. They may prefer low property taxes and a high-performance education system. They may realize that to some degree these are contradictory preferences. Amply financed schools are more likely to be high performance. But a preference to sacrifice low taxes for better schools may depend on several calculations. One is whether the executives believe greater funding will in the particular circumstances actually convert into better schools. Or it might depend on whether local education funding generates greater intergovernmental support for education. Details can tilt a preference one way or another. There is also the question of intensity of preference. A corporate executive expecting a transfer to another city may for that reason become less committed to any given local issue. If the general pattern of corporate assignments is one of high geographic mobility, then place-shaping may diminish as a goal. A mix of factors can come into play to elevate some preferences and lessen the importance of others. Against this background coalition formation is not fully predictable without highly detailed information.

3.7. Complexity and Coalitions in Place-Shaping

Place-shaping does not occupy a narrow span of policy. It involves more than specific economic development initiatives. The above hypothetical example links education with place-shaping. Similar links occur with social peace or crime-control and other policy arenas. Moreover, as the economy continues to evolve the nature of the players also changes. In the U.S. today there is growing interest in the "ed and med" sector as many cities come to see their economic future tied to universities, hospitals, and related institutions (Perry and Wiewel 2005; Rodin 2007). Security costs, land needed for expansion, and a desire for responsible and constructive relations with surroundings residents are among the considerations that can come into play from a variety of actors, including community foundations and others from the philanthropic sector. With such a complex of factors at work and such a range of advocates in play, there is much leeway in how interests are defined and combined into policy agendas.

3.8. Preemption

Classic works on the "faces of power" often assume a political setting in which those in established governing arrangements seek to limit the scope of decision-making by heading off or weakening challenges. As put at one point, "those in a position of domination lay particularly heavy stress upon preventing the disaffected from raising issues…" (Bachrach and Baratz 1970: 105). Suppression is the focal activity (cf. Moore 1978). However, important as suppression may be, it is only part of the

picture. It assumes that the push for change is from below, and resources along with advantaged positions are used to weaken that attempt. But significant energy for change may come from the top, and it sometimes takes the form of well-resourced players modifying arrangements so that they can obtain an inside advantage and pursue their favored agenda. Those in the lower ranks of society may find themselves politically isolated. Preemption rather than suppression may be the operative process (Stone 1988). No direct act of suppression may be involved.

3.9. Powerlessness Brought About by Social Change

Some elements of the community may simply be left out of consideration as broad, impersonal changes unfold. Without adequate resources, they are powerless to respond to profound sources of change. Consider, for example, the extraordinary case of Chicago's 1995 heat wave in which over 500 people died from heat-related causes. Sociologist Eric Klinenberg did a "social autopsy" that puts the event in context and shows the consequences of extreme marginalization (2002). The crux of the disaster was the "rise of an aging population of urban residents who live alone" (230). Klinenberg points to a changing society in which old-style neighborhoods with many social connections and forms of mutual, family-, and church-based assistance are becoming rare. This new "individuating" society is characterized by a spatial concentration that heightens the social distance between those who are affluent and those who are impoverished. As put by Klinenberg, "concentrated deprivation and abandonment compounds the risks of crime, disease, violence and isolation for the poor while putting impoverished people and regions out of sight" (231).

At the time of the heat wave, the city had embarked on efforts to "reinvent government" and contracted out a number of services. The city employed a language of empowerment of the citizen as a consumer; however, critics of this approach talked of "abandonment and vulnerability" (157). Klinenberg pictured a mismatch "between service delivery programs that demand activist clients and an increasingly elderly population whose isolation and frailty hinder their capacity to claim the assistance they need" (158).

Large impersonal forces such as individualization can have consequences for which some groups possess little capacity to respond. Powerlessness leads to neglect, as in the case of Chicago's elderly poor. In some cases large impersonal forces trigger a struggle over space, as in the case of gentrification spurred by globalization (Hyra 2008). In such instances, struggle makes the condition of powerlessness manifest. But the intricacy of the urban situation and the resulting complexity of coalition formation may leave many categories of residents without the allies needed to have a voice in responding to change. Their powerlessness is evident, not in the battles they lose nor in the acts of suppression they have experienced, but simply because they lack the *power to* engage effectively in the process of governing. We can understand this condition only by paying close heed to relationships that are not formed as well as those that are.

4. Relationships: Moving beyond *Who Governs?*

Not only is it important to see particular decisions in a policy-direction context, it is also important to move beyond who governs in an immediate sense and consider the question of how actors are related when collective decisions are made. We therefore need to be more attentive to what relationships political leaders (agents) work on and how they align and realign them, that is, how they form a collective *power to* act (Stone 1989, 227–29). Actors exercise power by shaping and entering arrangements among collectivities. Such a move may involve no direct clash of wills, but it may have long-term consequences for lines of conflict. In short, actors vary in capacity to shape and enter "power to" arrangements, and they all face limitations in this capacity.

To illustrate this point, we propose to reexamine the executive-centered coalition formed by Mayor Richard Lee in New Haven. The purpose in returning to this important feature in Dahl's classic work is to show why the relational dimension is a fundamental part of agency. A leader like Mayor Lee does not simply pursue a policy goal; Lee had to reshape relationships in order to pursue that goal. However, those reshaped relationships could not be used freely to pursue a range of other goals. Sets of relationships are not neutral means to pursue just any aim, and each set is better suited to pursue some aims than others. Thus it is less important to say that Mayor Lee governed than to understand how he governed and the constraints surrounding his leadership in that process.

Before reexamining Lee's leadership, we need to put him in broad context and acknowledge the wide difference between U.S. cities and their European counterparts (ignoring for now intra-European differences). Because the U.S. is less state-centered than are most European countries and because place-shaping governance in the U.S. has long been more decentralized than in most European countries, U.S. cities display a more complicated but less formal institutional architecture related to governance. Consider the basic point that electoral politics in U.S. cities is not organized around programmatic parties with strong local-national ties. For example, Atlanta's city elections are nonpartisan; those in New Haven are partisan, but patronage plays a major role. Overall the elements for governing are less formalized in the U.S., and the role of policy and managerial professionals is more modest.[1] In addition, the U.S. intergovernmental system allows for a more wide-ranging degree of local experiences. Even with decentralization in Europe, U.S. cities are generally less integrated into national programs and policies. With a less formalized structure of governance, in U.S. cities "candidate politics" is more pronounced than in Europe.

1. Change is occurring and transatlantic differences may be lessening (see John 2001), but the base points in an earlier time are quite divergent.

Relationships are less embedded in the governmental sector, and the governmental sector in the U.S. is less tightly organized for a governing role. While change puts generalizations at risk, it is nevertheless the case that, in the early days of the community-power debate, local civic and political relationships in U.S. cities took a decidedly less state-centered form.[2]

In his study of New Haven (1961), Dahl offers no explicit answer to his question of who actually governs, but two things stand out in his analysis. One is the central importance he attaches to elections as the mechanism that links leader actions to popular preferences. In Dahl's pluralism, the electoral connection is the crucial relationship. The second factor that Dahl emphasizes is the role of the gifted political entrepreneur, of which he sees Mayor Richard Lee as a prime example (see also Wolfinger 1974; Rae 2003). In Dahl's account, Lee was able to make a go of a large and complex redevelopment agenda where others had failed or not even made a sustained effort (for a less mayor-centric view, see Domhoff 1978). Dahl's interpretation is that Lee had the right combination of skills and resources along with a sense of how to stay within the bounds of an initially latent but loosely defined popular consensus.

Dahl's core analysis runs as follows:

Popular consensus + leadership skill in activating support → ambitious redevelopment.

Alternatively, however, one can see a highly complex process in which the orchestration of relationships, not consensus, is the central element. Moreover, Lee's accomplishment in creating an executive-centered coalition is more limited than Dahl understood, writing, as he did, somewhat early in Lee's mayoral career.

What contextual relations does Dahl underplay? (1) The city's business leadership was distrustful of the city's largely patronage-based political organization—an organization by no means inclined to be subservient to the mayor; and (2) the city's black population was on the rise in numbers but lacking in ability to overcome its standing as a marginal group. The importance of this second point is enlarged by the fact that the civil rights movement put into place heightening expectations that made relegation to marginality highly frustrating.[3]

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2. Note the observation of sociologist Robert Crain in his classic study of the politics of school desegregation: "one of the most complex issues in the study of American local government [is] the phenomenon of the businessmen and others who, without holding formal office, make up a civic elite that influences the government's actions" (1968: 356). Note also that, throughout much of the twentieth century, education was a policy arena in which career specialists played a very far-reaching role, closer to the European experience than was the case for most other policy arenas.

3. It should be acknowledged that Dahl's understanding of New Haven was based on research completed before the turbulent 1960s came to the forefront. Note, however, that recent research on the early years of Lee's mayoralty indicates that cross-racial consensus was weak even during the relatively quiet 1950s (Williams 2008).

With regard to business-city relations, Lee's challenge was not activating consensus; it was instead achieving an accommodation between business and city political arrangements. Lee did this first of all by creating a redevelopment agency tied to the mayor's office but largely disconnected from the city's ward-based city council.[4] Lee was able to do this by relying heavily on federal and intergovernmental funds along with foundation grants, thus bypassing legislative control of the budget. He secured the support of business and other weighty elements of the community through the use of a Citizens Action Commission (CAC), an advisory group appointed on grounds quite divergent from the city's patronage politics. Lee described the group this way:

> We've got the biggest muscles in New Haven on the top C.A.C. . . . They're muscular because they control wealth, they're muscular because they control industries, represent banks. They're muscular because they head up labor. They're muscular because they represent the intellectual portions of the community. They're muscular because they are articulate, because they're respectable, because of financial power, and because of the accumulation of prestige which they have built up over the years as individuals in all kinds of causes, whether United Fund, Red Cross or whatever. (Quoted in Dahl 1961: 130)

Was CAC window dressing? Perhaps in the sense of a voice in detailed decisions, but it placed the redevelopment program in a body of relationships in which business could keep an eye on the general character of the redevelopment program. A purpose of CAC was to reassure business especially, but others as well, that the city's redevelopment initiative was not a patronage operation. Significantly it was also an incompletely representative body, providing no voice for neighborhood groups.

The CAC played a part, an unsuccessful part as it turned out, in another major issue. Mayor Lee sought to formalize the position of the executive-centered coalition by proposing a new city charter that would enhance the authority of the mayor's office. Though the CAC endorsed the mayor's move, the charter lost in a referendum because the city's party organizations opposed it. Employing the CAC helped Mayor Lee align the city's "biggest muscles" with a largely externally funded redevelopment agenda and that mattered. When Lee moved to a different agenda, that alignment no longer carried great weight and Lee lost the referendum even though he himself had been recently reelected by a wide margin.

Writing before the racial turmoil of the 1960s, Dahl understandably did not foresee imminent changes in black politics in the city. New Haven's African American population of the 1950s was small though growing and, in Dahl's analysis, it was content to play the city's patronage game. At the same time, in pursuing redevelopment Mayor Lee came to see a need for an extensive social-policy agenda (Murphy 1971; Marris and Rein 1982). But his efforts in that vein generated controversy. The

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4. In his study of New Haven Douglas Rae reports that the redevelopment agency was called "the Kremlin" in apparent recognition of its inaccessibility to much of the populace (2003: 318).

city attempted to pursue this aim through an independent and initially foundation-funded organization, Community Progress Incorporated. It was headed by a board created somewhat in the mold of CAC, but it needed to cultivate a much different constituency. It was formally independent of the mayor's office but de facto closely tied to it. That proved to be an unsuccessful approach, out of line with growing demands for greater community engagement. With external funding, the city's social agencies could increase services offered, but proved unable to solve the puzzle of how to align constructively with a marginal population, many members of which were highly frustrated but possessed limited resources and on their own lacked empowering relationships.

Discontent spilled over into the urban renewal program, and New Haven was one of the cities hit by civil disorder in 1967. That same year, when a federal Commission on Urban Problems held hearings in New Haven, city officials were so uneasy about maintaining order they positioned police throughout the hall to contain a feared outbreak of disruptive protest. As it was, by one account the hearing revealed "seething discontent" (Rae 2003: 350).

From Dahl's tabulation of successful initiatives and effective vetoes, Mayor Richard Lee was the central figure in governing New Haven. That he also won a succession of reelections underscores a continuing capacity to garner popular support. There is no question but that he was a large figure on the scene. But a close look at New Haven during the Lee mayoralty points to a pattern of governance in which Lee's capacity to govern was not a personal phenomenon but something contingent on an ability to work within a context and construct a particular supporting body of relationships while containing sources of discontent. That Lee was a key actor in governing seems a less apt description of his role than that that his early success in promoting redevelopment could not be extended to other important areas of policy. Even pursuit of redevelopment hit rough spots as the 1960s unfolded.

When we put Richard Lee's mayoralty in a trajectory of action and choice over time, it no longer seems apt to describe the mayor as an entrepreneurial leader governing by activating a consensus. As something vague, elusive, and tenuous, New Haven's consensus proves to be a poor tracking concept. Instead it seems more realistic to consider the spotty efforts by the mayor to orchestrate supportive relationships to bring about various policy outcomes and ask why the record is spotty. The important question would seem to be, not the mayor's record itself, but how and why various efforts had the outcome they did. In this way Mayor Lee becomes a less central figure in answering the question of who governs.[5]

Dahl's emphasis on New Haven's elected mayor as a central figure carries with it the implication that the path to empowerment is electoral mobilization in order to influence the mayor. Treating the mayor's record as a trajectory points up a weakness in this strategy. The mayor's office was important only as it linked with a broader body of relationships. Addressing a wide range of relationships rather than relying mainly on electoral mobilization appears a truer path to empowerment.

5. Consider a later view from the mayor's office, as offered in Rae (2003).

In the analysis of power, Dahl's "initiations and vetoes" and rankings on reputational lists by others have equally failed an adequacy test. Power is not a generic substance; it is highly situational. It is manifested in the formation of a durable relationship behind a policy direction. Just as the link between relationship and policy informs us that Mayor Lee's leadership in New Haven was only selectively effective, the inability of the British government to mandate local government-business partnerships tells us how difficult it is to spark a power relationship (Davies 2001). What Daniel Bell once called "enacted change" as an instance of power is beyond any simple metric (1961, 346–47), but a focus on a trajectory of policy-linked relationships enables us to examine political agency at work.

5. Conclusion

In writing *Community Power Structure*, Floyd Hunter sought to present a relational understanding of power.[6] He saw Atlanta as characterized by an arrangement that contradicted the ideals of representative government by elevating the concerns of some segments of society over others. His book, however, has seldom been treated on those terms. Though Hunter's identification of forty power figures (ten in four sectors) was only an interim step in a more complex form of analysis, that step proved to be one that invited misunderstanding. His term power structure has often been interpreted as referring to a specific body of actors (a "who") rather than as an overall arrangement of relationships in governing.

The temptation to play down relationships in favor of individual actors is strong. Actors are more easily observed than are their relationships. Dahl, for example, traces the evolution of power relationships in New Haven in large part by identifying the social background of individual occupants of the office of mayor. As employed here, being empowered consists of being part of a governing alliance and thereby having a voice in governing decisions. Empowerment is closely akin to what Browning, Marshall, and Tabb call political incorporation (1984). Of course, the simple matter of being or not being part of a governing alliance can and should be refined by considering how members of the alliance are connected in ways less superficial than membership in an official body. Hence it is vital that research go beyond the question of which individual actors "govern" and examine the relationships on which a governing alliance is constructed, the strength of the alliance itself, and the policy scope of the alliance's agenda.

6. Significantly the term "relational power" has come to be strongly embraced by the Industrial Areas Foundation, the network of community organizations built on the early work of famed organizer Saul Alinsky. Relational power represents a shift from central reliance on confrontation to a realization that getting things done often hinges on the ability of people to establish a cooperative relationship (Cortés 1993: 20).

The challenge is to treat power as involving human agents making choices collectively while taking into account the importance of context. Clarissa Hayward thus encourages us not to concentrate on those who seem powerful and their political mechanisms but instead on the ways that relationships are defined by "practices and institutions" in order to question how they might be modified so as to bring about a more inclusive context in which collective decisions are made (2000: 176).

Robert Dahl treated contested election as the key context for empowerment, and Richard Valelly (2006) reminds us that, for some members of the discipline, this view remains basic to their understanding of power. We suggest that a much wider look at relationships is needed. Floyd Hunter started out by calling for a reexamination of the associational life of urban communities and how it empowers and disempowers. That message became lost, but could usefully be rediscovered.

As Hunter understood, the mere existence of an association does not guarantee a significant voice in place-shaping politics; the experience of Chicago's public housing residents does, however, reveal the consequences of being organizationally weak and disconnected. Nevertheless, a group can be highly organized and yet excluded from the inner networks of governing. Still there are clear examples of neighborhood and advocacy groups able to gain connections with the governmental sector and thereby become empowered as part of the collective decision process of governing the locality (Medoff and Sklar 1994).

Power is not an all-or-nothing phenomenon. Groups unable to establish a priority agenda may nonetheless be able to negotiate significant concessions from those who can. Hence some neighborhoods, environmental organizations, and working-class groups of color have learned to frame demands in such a way as to achieve significant gains (Altshuler and Luberoff 2003). In some cases these are embodied in formal documents called "community benefits agreements," and, in contrast with Pattillo's Lakefront public housing tenants, they sometimes achieve lasting concessions. These are matters to be weighed with relation to their scope and durability. Though not determining overall policy direction, concession can modify the impact on vulnerable populations. The nature of such benefits usually depends on who the major players are and the terms on which they are related to vulnerable populations and whether these populations have an active and ongoing say or not.

Sharp clashes of interest of the kind that often occurred between development-minded businesses and poor neighborhoods have not disappeared nor have their consequences—in many places "the ghost of urban renewal is always present" (Pattillo 2007: 8). Big universities and hospitals are also among the players often feared and mistrusted, but change is possible. In some instances entities in the "ed and med" sector have come to see that their well-being is in significant ways interlocked with the nonaffluent residents around them and have built new relationships accordingly (Rodin 2007). The scope and durability of these relationships are matters well worth inquiry, and it is research that can be informed by employing power as a framework of analysis.

Community power can become a user-friendly lens through which we can gain a much enhanced understanding of urban governance. By examining the flow of

policy over time and probing the relationships that direct this flow, we can see that power is far from a static phenomenon. A past in which downtown business excluded poor neighborhoods or distant technocrats lacked connections to nonaffluent urban residents serves as an unreliable guide to the future. New players and potentially newly understood relationships open up possible fresh power configurations. To examine such a complex interplay between continuity and change requires a more detailed and more contextually informed analysis than what comes from a quick study of officeholders and civic elites. And even in-depth investigations need a wide lens if they are to be truly *community* power studies.

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CHAPTER 3

INTRALOCAL COMPETITION AND COOPERATION

KEITH DOWDING AND RICHARD FEIOCK

1. INTRODUCTION

The broad theme running through this chapter is given by its title—the relationship between competition and cooperation at the local level. Some people believe that the best way of organizing the public services provided by urban governments is to induce competition between providers. Using private markets as an analogy, the idea is that competition provides better and cheaper services than central planning. Others believe that competition for public services induces inefficiencies. The central argument for that view is that public services are exactly those types of goods for which markets fail and governments need to intervene. We review the technical argument for these positions in section 2. To some extent these debates mirror a more general debate in the urban literature over the optimal number and relevant size of urban jurisdictions. Some believe that urban governments are best organized into large units based around metropolitan areas or cities and large rural districts or counties (the terms vary across nations). Others believe that large numbers of small jurisdictions are preferable. Thus, another prominent theme is consolidation versus fragmentation. Orthogonal to these debates is also an account of how "rationalist" should be the organization of urban government. Should we try to design the best system of government based on technical and normative criteria or should the state be allowed to evolve organically to provide the kinds of service that people want? Do we want hierarchically ordered systems with command or organically grown systems of cooperation? Which is more efficient? Which provide the greater equality?

Cooperation is the theme in Section 4, since complex fragmented governments do pose coordination and collective action problems and we examine the myriad ways that local governments and agencies attempt to solve these problems. We begin by asking what the role of local government is and some of the problems that make answering questions about efficiency and welfare so difficult to answer.

2. Public Services and their Measurement

2.1. Why Provide Services?

The history of urban government in the developed world at least begins with citizens making demands for certain types of services. Initially these included general protections such as local defense, "law and order," and the rights to make local by-laws; but even early on in the process some welfare services were demanded. By the mid to late nineteenth century with a growing middle class further demands were made and so urban government developed by providing some goods and services where markets failed or partially failed, such as streetlights, sewerage, and waste collection and disposal, education, and other amenities (Prest 1990; Monkkonen 1988). In the developed world urban governments grew further in the period after World War II by providing more general welfare services involving explicitly redistributive policies.

Market failure occurs where goods and services display a high degree of "publicness." A public good is conventionally defined by two conditions: (1) a good is "jointly supplied" (or "nonrival") if one person's consumption does not reduce the amount available to others. For example, litter collection from a park affects all park users equally and one person's enjoyment of a park does not reduce others' pleasure. (2) A good is "nonexcludable" if the consumption of one person makes it available to other group members. If I sweep the snow and ice away from the front of my house so I do not slip, I enable others not to slip when they walk by my house. A pure private good is rival + excludable; a pure public good is nonrival + nonexcludable. So if we have a group with i members and a good x where the total amount of the good x available is X, then the consumption feasibility constraint is: if x is a private good then $\sum X_i \leq X$. If x is a public good then $x_i \leq X$. If $i = 2$ (it is a group of two members) and $X = x_1 + \alpha x_2$ (the first expression is what one person consumes, the second what the other consumes). So if $\alpha = 1$ then we have a private good. If $\alpha = 0$ then we have a public good. And if $0 < \alpha < 1$ then we have a mixed good. The degree of publicness affects the quality of demand signals.

The demand problem for collective goods is that if they are paid for at the point of delivery, unlike private goods, individuals have an incentive to underspecify their

true demand, giving the wrong signal to suppliers and resulting in allocatively inefficient supply (Samuelson 1954; 1955; 1958), and the standard welfarist response to such issues is that such market failure requires government intervention. Neither degree of jointness nor nonexcludability is a static concept, and both technical and economic advances enable goods to become more or less private over time (for example, TV signals are now excludable where once this was technically infeasible; rich clientele might make a park economically excludable). One aspect of the changing nature of urban governance has been the general advance in wealth of the median voter who is prepared to reveal true preferences for excludable varieties of goods such as education enabling more vibrant markets. Since the later 1970s as voters exclude themselves from standard urban services, pressure for reducing their public supply and cutting tax has increased.

Not only do goods differ in degree of "publicness" but many services provided by governments are private goods and the decision for government intervention is based not on poor market signals but rather considerations of equity. Universal education, universal health schemes, housing, and many other welfare services are justified not by Samuelsonian considerations but because the political community has decided that these should be provided (what Savas [1987] calls "worthy goods"). So two important normative issues enter into consideration of the organization of the state: technical features driving efficient allocations and political commitments driving universalist equal welfare distributions.

The greatest extension of urban services occurred during the 1960s and early 1970s when the welfare state grew in the developed world following the strengthening of universalist and egalitarian principles. During this expansion local governments in Europe and the U.S. grew enormously both in terms of personnel but also in the forms of services they provided, both through their own initiatives but also as the point of delivery for state and central government service-provision.

2.2. Efficiency

Theoretical debates surrounding the best way of organizing local government often turn both on the interpretation of key normative values and on how those normative values are measured in empirical analysis: none more so than that of "efficiency."

One state of the world is said to be Pareto preferred to another state if there is at least one person who prefers the first state to the second and there is no person who prefers the second to the first. When utilized in public policy terms the strict conditions are relaxed and two components of efficiency emerge: technical (or productive) efficiency and allocative efficiency. Technical efficiency is the relationship between inputs and outputs. The higher the output of some productive process relative to the input the more technically efficient that process is. Thus at any given level of input citizens should all be better off the more technically efficient the production. Allocative efficiency is a relationship between demand and supply. It is

generally considered that the more people who receive the type and level of service they want the more allocatively efficient the distribution.

Most tests of the efficiency of consolidated versus fragmented government tend to look only at either technical efficiency or allocative efficiency; rarely do they consider both simultaneously. Furthermore the measures of technical and allocative efficiency vary. All too often technical efficiency is measured by examining costs only without considering variations in the output. So writers will use data showing that fragmented (or consolidated) government spends less on a given service as though this fact in itself demonstrates productive efficiency. But of course productive efficiency requires that the same level of service is provided at lower cost. Spending cuts do not necessarily result in efficiency gains. Competition can mean a race to the bottom if the governments feel that reelection chances are determined by tax rates rather than service quality. It might be argued that the fact that tax rates determine reelection prospects demonstrates that poorer services at lower costs are preferred by the median voter who can stand as the test of allocative efficiency. However, given low rates of turnout in local elections the median voter need not represent the median citizen especially given the social and economic status (SES)-driven nature of the propensity to vote.

Allocative efficiency is usually measured by examining satisfaction as revealed through citizen surveys. However, interpretation of stated preferences in this manner often lacks theoretical justification. It has long been recognized that citizens tend to be more satisfied with services they use than with questions about their satisfaction with services more generally (Appleby and Alvarez-Rosete 2003; Goodsell 1990) and there are relationships between SES and stated satisfaction (Stipak 1979; Lyons et al. 1992; Dowding and John 2008). It is also recognized that levels of perceived satisfaction often do not correlate with objective performance indicators (Brown and Coulter 1983; DeHoog et al. 1990; Lyons et al. 1992; Parks 1983; Stipak 1980; Van Ryzin 2004; Van Ryzin et al. 2004; Link and Oldendick 2000; James 2009) and it is usually considered that the objective indicators are poorly specified or simply provide targets for councils to hit rather than useful measures of actual performance (Boyne 1997; Boyne 2002; Boyne et al. 2002; McLean et al. 2007).

One of the major problems with the satisfaction literature is that it is not clear where satisfaction comes from. While we expect there to be some relationship between satisfaction and actual levels of quality a number of factors can intervene to make comparative analysis problematic. For example, experimentally it is known that framing affects expectations, which in turn affect stated satisfaction (Kahneman 1999; Kahneman and Tversky 2000; Kahneman and Snell 1990) and there is a growing literature examining how expectations can affect stated satisfaction in this area (Roch and Poister 2006; Van Ryzin et al. 2004; James 2009). Where a service does better than expected (positive disconfirmation) satisfaction will result; where it falls short of expectations (negative disconfirmation) the consumer is likely to be dissatisfied (Spreng et al. 1996; Anderson 1973; Westbrook and Reilly 1983). Thus improving services from a low base might lead to greater stated satisfaction than

maintaining services at a higher overall level. We can see therefore that there are considerable empirical problems encountered in attempting to measure the efficiency of different organizational structures.

3. Competition

3.1. Theory

Competition between providers of services is justified on both intrinsic and instrumental grounds. In recent years "choice" has been thought to be justified in its own right, allowing people more control of their lives. Whatever the efficiency of introducing choice, people gain process utility from feeling in more control and being able to pick and choose their service-providers (Le Grand 2007)—though any such gains might be outweighed by the costs of choice (Schwartz 2004; Dowding and John 2009). More generally, a multiplicity of rival service-providers is thought to enhance both allocative and productive efficiency—the former by enabling heterogeneity of services, the latter through competitive processes that drive down costs and mitigate the excesses of public-monopoly-induced rent-seeking. The earliest model of such competition was Tiebout (1956) who suggested that fragmented governments in large metropolitan areas could provide competition by inducing households to locate in those jurisdictions that provide them with the optimal tax-service packages. Allocative and productive efficiency would occur if the signals provided by such geographical mobility were strong enough to induce policy change.

Evidence for Tiebout mobility has been found (Dowding et al. 1994; John et al. 1995; Percy and Hawkins 1992; Teske et al. 1993; Bickers and Stein 1998; Stein 1987), though it is doubtful that the signals provided are strong enough to induce major policy change through such mobility alone (Dowding and Mergoupis 2003; Dowding 2008) and without this, along with matching conditions for people and communities, there is no guarantee of an equilibrium or that any equilibrium will be Pareto efficient (Atkinson and Stiglitz 1980, 538–51).

The exit mechanism can also work for businesses (Tiebout 1957) and Oates and Schwab (1991) suggest that tax competition can be applied to mobile capital, offering tax incentives to firms to locate in certain jurisdictions. This can lead to lower business taxes all round and a distribution from households to businesses as jurisdictions find themselves in a prisoners' dilemma situation. Exit should also operate within the context of politics or voice (Hirschman 1970) and politics might soften any exit effects. Hendrick et al. (2007) suggest that some tax policies—such as property taxes—are more conducive to voice processes, and others to exit—such as sales taxes, for example, may induce exiting one tax area to shop in another, obviously

with far lower costs than moving house. Empirically examining the interaction between exit and voice is problematic (Dowding et al. 2000); the best extant attempt finds only weak effects of the one upon the other (Dowding and John 2012).

Nevertheless, proponents of fragmentation argue that the mere fact that governments do not have a clear local monopoly and can learn from successes and failures of nearby jurisdictions improves tax-service quality overall. In the leviathan hypothesis local governments are compared to private sector monopolies and seek to maximize revenue providing resources to rent-seek and provide bureaucratic slack (Brennan and Buchanan 1980; Oates 1985; Heil 1991; Chicoine and Walzer 1985; Moesen and Cauwenberge 2000). Where there is interjurisdictional competition across a metropolitan area the monopoly opportunities are restricted (Schneider 1989); hence where there is higher interjurisdictional competition the leviathan hypothesis states local taxes and expenditure should be higher. Some find evidence for the hypothesis (Martin and Wagner 1978; Shapiro and Sonstelie 1982; Sjoquist 1982; Nelson 1987, Zax 1988; 1989; Eberts and Gronberg 1990; Craw 2008) others evidence contradicting it (Palumbo 1983; Forbes and Zampelli 1989; Dolan 1990; Turnbull and Djoundourian 1993), with others finding mixed results (DiLorenzo 1983; Campbell 2004).

But fragmentation is not the only possible driver of expenditure. Higher expenditures in mayor-council communities might be a response to greater rent-seeking opportunities than in council-manager communities (see below) for which some evidence has been documented (Lyons 1978; Stumm and Corrigon 1998), though some studies reject this claim (Morgan and Pelissero 1980; Farnham 1990; Deno and Mehay 1987; Hayes and Chang 1990) with others giving mixed results (Farnham 1987; Ruhil 2003; Jung 2006). One recent study examines both leviathan and institutional effects together, suggesting there is some evidence of this institutional mediation of the competition effect (Craw 2008).

3.2. Organization for Competition

Within the political economy approach two broad theories of state organization operate with rather different principles. In what we call the "rationalist" school, tiers of government with technically specified demarcated spheres of responsibility are envisaged. This branch is strongly associated with ideas of "fiscal federalism" (Oates 1972; 1988; Blackorby and Brett 2000; Breton 1996). While competition exists horizontally across tiers, coordination and cooperation are mandated vertically by higher tiers. The stronger statist tradition in Europe and countries with European colonial ties has led to a more rationalist system in those countries.

The "irrationalist" school sees a more complex set of interlocking and overlapping jurisdictions created by evolution or "spontaneous order," which Hayek (1982) argues produces efficient markets. It is particularly associated with polycentric government (defended notably by the "Bloomington School" [Bish 1971; Bish and Ostrom 1973; McGinnis ed. 1999; Oakerson 1999; Ostrom et al. 1988]) and "marble

cake" federalism (Ostrom 1987). Strong in the United States, polycentrist institutions in more "rationalist" countries have also been overlain with increasing complexity in the past fifteen to twenty years.

Fiscal federalism specifies a normative framework for the assignment of functions at different tiers of government with appropriate fiscal instruments for implementing those functions (Oates 1999). The principles are rationally defended in terms of efficiency largely determined by the principles of fiscal equivalence and the internalization of externalities (Olson 1969). Decision-making is dispersed across different and competing units with bundles of competencies. At the lowest levels there can be multiple competing jurisdictions. Citizen-consumers (or households) can choose to locate in the local jurisdictions that supply the best tax-service package for them (Tiebout 1956). The competition can drive allocative and productive efficiency allowing for both heterogeneity and competition over salient issues. Higher tiers provide coordination across the lower tiers, ensure economies of large scale for certain services and enable greater redistribution to enhance equality across different classes or groups of citizens who will be heterogenously distributed across the lower-level jurisdictions. There would be no overlap between jurisdictions at each level nor dual competencies across tiers. Such systems are rationalistic, as they are designed using the principles of fiscal equivalence and efficient production. Since reform would be costly and time-consuming they are meant to be stable and enduring.

The problems associated with fiscal federalism include the variable nature of goods and services. What might rationally be provided at one tier given technical and economic feasibility constraints at one time will not necessarily remain so over the long term as technical possibilities and new demand and supply conditions obtain. New demands for new types of services need to be slotted in while rent-seeking activity might cause irrationalities and pathologies to develop. While the lowest tiers might have discretionary powers to provide services not offered by other jurisdictions, the only response a household does have when certain demands are not met is to geographically relocate and such exit is costly. Standard public finance suggests that cross-subsidies from higher tiers to lower tiers will stimulate local demand at the same rate as tax cuts; while matching grants will do so at a lower cost to the donor tier (Cullis and Jones 1992, 312–14). However, empirical evidence suggests this is not the case. Gramlich and Galper (1973) estimate that each $1 of additional unconditional grant to state and local governments induces a $0.43 increase in local spending, while Gramlich's (1977) review suggests that lump-sum grants stimulate greater lower-tier spending than would tax cuts by as much eight to ten times as much. The so-called flypaper effect (money sticks to the sector it hits) is explained by "fiscal illusion" (voters think the real price of the service is the cost to the lower tier [Oates 1979; 1988]); budget maximizing (Niskanen 1971; King 1984); or Romer and Rosenthal's (1980) setter model where agencies offer a straight choice of reversionary budgets with lower utility to the median voter than the suggested budget with excess expenditure.

Polycentric government is composed of sets of single and multipurpose agencies with overlapping jurisdictions. Extending the idea, Frey and Eichenberger (1996a; 1996b; 1999) describe functional, overlapping, and competing jurisdictions (FOCJ), which are units defined over the tasks they do (functions), that may geographically overlap, and which directly compete with each other in the sense that individuals and organizations may choose which unit to belong to. They are jurisdictions in the sense they have enforcement power and can levy taxes. In effect FOCJ applies a Buchanan (1965) club analysis to local provision. Clubs form when like-minded people gather for welfare or other reasons. What happens in FOCJ is that similarly minded households and organization use the same service-providers as they have similar demands. Frey and Eichenberger see both U.S. special districts (i.e. ones created to provide a particular service) (Mehay 1984; Zax 1988, ACIR 1987; Foster 1997) and aspects of Swiss cantons as potential progenitors. Intersecting membership allows household exit without any need for geographical mobility.

The advantages of this type of governance structure include great flexibility for policy entrepreneurs to respond to demands, and citizens having an ever wider choice of agencies to deliver services in an age of greater complexity and faster technical change. Even in the more rationalistic systems of Europe, ad hoc problem-driven agencies, task forces, and interagency, interregional, and intermunicipal commissions have developed to try to deal with perceived problems. Single-purpose agencies might allow for more obvious accountability for the functions they provide than occurs with bundled services. The "irrationality" is defended by neoclassicists as it reflects an evolution of demands, which are met at equilibrium with entrepreneurial suppliers.

Problems that occur with the irrationalist system include difficulties in recognizing rent-seeking activities of so many units; costly search as households face a massive array of potential suppliers; and second-order coordination problems. As the number of jurisdictions multiply the problem of coordinating activities increases. We discuss some of these coordination problems in our discussion of cooperation below. Furthermore in a remarkable book Reifschneider (2006) demonstrates that the efficiency of FOCJ arrangements requires several restrictions: (1) there must be competition in all types of local public goods—if there is a monopoly supplier of just one public good all the gains from increased competition in other types can be lost, (2) efficiency requires discriminatory prices—largely so that higher costs of further-flung households will not be subsidized, (3) weak competition with low geographical mobility can drive out some units, (4) cooperation and collusion between FOCJ units, while bringing benefits that might emerge for specific goods, will drive out inefficiencies of competition overall. Once again, we see that the number of issues involved in urban governance regimes is such that it is difficult to provide a rationalized system.

Reifschneider (2006) proves that cooperation between units will reduce the efficiency of competitive processes. In that sense cooperation and competition are incompatible. However, cooperation might enhance welfare if it can reduce negative externalities and reduce production costs. It can also reduce spillover effects.

Furthermore, outside of pure theory, a system of some competition and cooperation might provide certain benefits. It is also the case the organically grown irrationalist processes cannot ensure efficiency, evolution cannot take one step back to go two steps forward. But human intellect can. Local politicians and administrators, and local people can see gains in cooperation between functionally distinct and jurisdictional different units. In the next section we examine the development of institutionally developed collective action especially in the most irrationalist systems in the United States.

4. Cooperation

4.1. Theory

Local government is increasingly taking on an "irrationalist" or polycentric character not only in the U.S. but around the world. Recent work has begun to explore collaborative intergovernmental arrangements as alternatives to centralized governmental provision of services. Competitive efficiencies need to be supported as diseconomies in public good production and interjurisdictional externalities bring obvious inefficiencies.

Institutional collective action (ICA) problems arise directly from the delegation of service responsibilities to a multitude of local governments and authorities. Fragmentation creates diseconomies of scale, positive and negative externalities, and common property resource problems. Independent service-provision decisions made by jurisdictions acting alone may hinder the ability of government officials to take advantage of opportunities to reduce the average cost of public services to their residents.

Formal and informal interlocal cooperation emerges through dynamic political contracting between or among local authorities. Cooperation results from bargaining and negotiation among the officials of affected jurisdictions. Leaders in each community weigh the utility that they expect to receive cooperatively with the utility that they gain when acting noncooperatively, but cooperative exchanges are not without transaction costs. The joint gains produced by collaborative arrangements may not be sufficient to stimulate the collective action necessary for local actors to create these mechanisms.

Consolidation of governmental authority may mitigate the ICA dilemma by eliminating independent authorities but this comes at a high cost. The costs of centralization include: creating great uncertainties about the balance of authority between levels of government, disrupting ongoing governance activities, and transforming the ICA dilemma into an intraorganizational dilemma that may be no easier to resolve (see Brierly 2004).

The ICA framework applies theories of individual-level collective action (Olson 1965) to institutional actors such as cities, counties, and government agencies (Feiock 2009; Feiock and Scholz 2010). Intergovernmental exchange relationships are embedded in larger social, political, and economic structures. Thus, agency and social network theories provide a basis for identifying benefits and transaction costs of collaboration (Lubell et al. 2002; Schneider et al. 2003; Feiock and Scholz 2009). If we assume that institutional actors act self-interestedly by selecting the available strategy that most enhances their short-term interests, then absent collaborative institutions, the collective action problem dictates that the outcomes of individual decisions will at times lead to collectively inefficient decisions.

Production efficiencies are lost if local authorities are too small to efficiently produce on their own a service each government wishes to provide. In addition, production of the service by small fragmented units produces externalities that spill across jurisdiction boundaries. The extent to which these ICA problems obtain depends on the specific policy arena, the governmental units affected, and the nature of the collective problems they face.

A policy arena is composed of formal policymaking venues with statutory authority to make policy decisions enforceable by the government, formal rules about participation and decision processes in each venue, and policy actors who are concerned with these policies. Externally imposed rules combine with the underlying collective problem to determine the specific incentives facing each actor.

The study of urban politics has traditionally focused on regional or central authorities as the mechanism for solving collective action problems. Instead, we argue that there are an array of mechanisms that vary in the extent to which self-organization is evident in their creation and use. The next section outlines the tools of regional governance and classifies them by their focus on collective or network relationships and the autonomy retained by local government units.

4.2. Organization for Cooperation

Feiock and Scholz (2009) suggest that the range of institutions that have emerged to mitigate ICA problems can be best understood according to the degree of autonomy the mechanisms afford local actors. Feiock (2009) argues that in regional governance these tools vary with regard to whether they focus on collective multilateral relationships or on individual bilateral exchange in networks. We extend this framework here to examine intergovernmental collaboration more generally by defining a formal taxonomy of collaborative institutions and arraying them according to whether the coordination mechanism relies primarily on political authority, legal or contractual arrangements, or social embeddedness and the extent to which the terms of a governance arrangement are subject to bargaining by individual members.

Centralized authority, mutually binding contracts or agreements, and network embeddedness provide three general mechanisms available to integrate decision-making across local government units in a metropolitan area (Feiock 2004; 2009).

Under centralized authority a new governmental unit is created or a higher-level government intervenes to consolidate authority and internalize ICAs. Under contracting, fragmented governments legally bind themselves to mutual action. Under embedded relations, agreements among local units are coordinated and enforced through a network of social, economic, and political relationships rather than formal authority (Feiock 2009). These mechanisms are not mutually exclusive and can complement each other (Feiock and Scholz 2009). The nature of these mechanisms makes them more or less costly for individual governments to exit the collaboration. Exit is most difficult with collaborative arrangements mandated through governmental authority, and easiest with cooperation based on voluntary relationships and social constraints.

4.2.1. *Centralized Authority*

Higher-level governments often have the authority to resolve collective problems due to fragmentation by expanding the geographic or functional jurisdiction of government to "internalize" the externalities resulting from fragmentation. For example, the political consolidation of general purpose local government unites multiple governments into a consolidated metropolitan government entity. Higher-level governments can also design and mandate special districts or networks to internalize unconsidered impacts over a broad geographic area for specific functions.

The political and administrative costs of relying on centralized authority as a regional integration mechanism limit the scope of its use. Existing government units generally resist their loss of autonomy, and production efficiencies are achieved at the cost of reducing the ability of local units to vary the provision of services to reflect different local preferences. Thus allocative efficiency is traded off for technical efficiency.

4.2.2. *Mutually Binding Agreements*

Contracts and regional organizations require the consent of those involved, so this institutional system preserves the autonomy of local actors while providing a more formalized mechanism for resolving externality issues of concern to all parties. To the extent that enabling legislation minimizes the transaction costs involved in developing, negotiating, and enforcing agreements, the Coase (1960; 1988) theorem suggests that contracting can resolve many of the diverse externality problems.

The ability to make legally binding agreements can be very flexible, involving bilateral agreements between two governments, or in other cases setting up a voluntary organization that binds the local governments to some degree, but relies on mutual consent. These arrangements are formally constituted, but voluntary in the sense that members participate at will and must approve activities. These institutions generally have limited authority to force members to do what they do not want to do, and the forces of both cooperation and competition remain within the arrangements (Gerber and Gibson 2006).

4.2.3. *Network Embeddedness*

Embeddedness relies on social, economic, and political relationships rather than formal authority. Self-organizing policy networks that rely on this mechanism offer several potential advantages over more formal solutions. By preserving the autonomy of the actors in a given dilemma, self-governing institutions avoid the inevitable political conflicts involved in revoking existing authority from local governments or specialized agencies. By generally requiring consent of all members, self-governing institutions enhance the search for mutually advantageous resolution of ICA and reduce the conflicts involved when majorities can impose solutions on unwilling minorities. By ensuring sufficient flexibility for rules, procedures, and exchanges to be decided locally, self-governing institutions can customize these rules to best fit the local conditions and specific ICA situations. To the extent that self-governing institutions contribute to local social capital, the resolution of one ICA can provide the basis for resolving unrelated ICAs in the same region as well.

Informal policy network structures emerge unplanned from interactions among institutional actors. Informal networks coordinate complex decisions within the formal structure. They preserve full local autonomy and require no formal authority, although federal and state programs can influence their development (Schneider et al. 2003). Policy networks can also complement central authority or contracts. The formal authority structures in political systems rely on informal, self-organized relationships among authorities for performance and stability to buffer the system from changing demands. Network interactions that tie responses to actions in one area to those in other policy areas or across time help members identify partners who are less likely to defect and build an enforcement structure to reduce transaction costs.

Cooperative arrangements also differ in the extent to which the terms of a governance arrangement are uniformly applied to all participants in a collective arrangement or are subject to bargaining by individual members. Figure 3.1 depicts nine general categories of cooperative service arrangements classified by whether the focus is on the extent to which terms are negotiated and whether the coordination mechanism allows individual units to act autonomously to enter or exit relationships. The upper row of the vertical dimension reflects relationships that are defined exogenously with decisions made collectively to bind all actors. The bottom row reflects relationships that are networks of individual choices by local units endogenously created through bilateral bargaining by individual members. The center row encompasses mechanisms that are somewhat standardized but subject to some influence by individual participants. The horizontal dimension captures the nature of the regional coordination mechanism. Forms to the left rely on the exogenous resources and authority of higher-level governments or other exogenous organizations. To the middle along this dimension, local units delegate some level of authority by voluntarily entering into organizations or contractual arrangements that bind themselves to some degree, but rely on mutual consent. To the right side,

		Centralized Regional Authorities	Regional Organization / COGs	Partnerships
	Collective Centralized			
Extent Negotiated	Collective Negotiated	Managed Networks	Multilateral Interlocal Agreements	Informal Groups
	Bilateral Negotiated	Mandated Agreements	Service Contracts	Policy Networks
		Governmental Authority	Contracts	Embededness

Ease of Exit

Figure 3.1. Collaborative Service Arrangement

relationships are informal and coordination is enforced by embedded social, economic, and political relationships rather than formal authority.

The types of collaborative institutions vary from centralizing governmental authorities in the upper-left quadrant that resolve the ICA problem by centralizing decision authority over the involved area, to informal policy networks in the lower-right quadrant that rely exclusively on self-organization and social embeddedness to coordinate decisions while preserving the autonomy of the involved policy actors.

Centralized regional authorities with sufficient functional and geographic scope can "internalize" the externality and scale problems as argued in fiscal federalist approaches. One example is the uniting of multiple local governments into a consolidated metropolitan general purpose government. Special districts provide a less obtrusive means of internalizing unconsidered impacts over a broad geographic area for a specific function. Regional authorities can be created and imposed by higher-level governments. For example, many states use regional level special districts to mitigate the horizontal problem of metropolitan service-provision for geographic consolidation of services like planning, resource management, schools, or emergency services (Mullin 2010; Andrew 2010).

Despite this efficiency rationale, efforts at city-county consolidation in the U.S. have been mostly unsuccessful. The failures of consolidation efforts can be attributed to political conflict and the availability of alternative, less costly coordination mechanisms (Carr and Feiock 2004). The political and administrative costs of creating regional governments limit the scope of consolidation and special district solutions to a narrow range of ICA problems. Existing agencies and government units generally resist any loss of authority. The larger units gain efficiencies in production, but frequently at the cost of reducing the ability of local units to vary the provision of services to reflect heterogeneous local preferences.

Managed networks encompass a set of mechanisms designed or coordinated by third parties such as higher-level government. In a managed network a higher-level government provides funds and incentives for collaborative service arrangements. Typically a higher-level government designates a lead organization with responsibility for developing, managing, and coordinating intergovernmental service-provision (Provan and Kenis 2008). An extensive literature focused on these managed service implementation networks has developed (Bardach 1998; Milward and Provan 2000; Mandell 2001; Meier and O'Toole 2001; Agranoff and McGuire 2003; Graddy and Chen 2006).

Mandated agreements require two governments—often a city and county or school district—to enter into service agreements. They specify the nature scope and some of the terms of agreements. In a managed network a higher-level government may provide funding but mandates the formation of collaborative relations among specified local governmental actors.

Regional organizations (RGO) are focused on collective and multilateral, rather than bilateral, cooperation. Structure and responsibilities are statutory, rather than negotiated, often based on federal and state laws. They take a variety of forms. The most common form in the U.S. are regional councils of governments (COGs) and metropolitan planning organizations (MPOs), designed to manage federal transportation issues in metropolitan areas by allocating federal funds.

Multilateral interlocal agreements are entered into voluntarily by local units. Some obligations may be negotiable but they generally require participants to accept common terms of agreement and obligations for action. Mutual aid agreements for emergency management are a prominent example.

Contract networks link individual units through joint ventures and service contracts that require the consent of those involved. This set of governance tools preserves local autonomy while providing a formalized mechanism for resolving externalities and other issues of concern to the parties. Contract networks link local governments in legally binding agreements, but because agreements often overlap they may also be supported by norms of reciprocity (Thurmaier and Wood 2002). Andrew (2009) argues that contractual ties developed locally produce general patterns of regional integration as bilateral ventures, agreements, and contracts create a unique formation of contractual ties at the macro level.

Partnerships are multilateral associations of diverse actors often including both public and private organizations. For example, regional economic development partnerships have become an increasingly popular approach to organizing regional economic development efforts (Feiock et al. 2009). A development partnership is an "alliance formed by local governments, often with the help of private sector firms and nonprofit organizations, which has a mission of enhancing the economy of a multijurisdictional area" (Olberding 2002, 253). Watershed partnerships are another example of regional partnership institutions that collectively address water-related issues at the watershed level relying on collaborative participation by governmental and nongovernmental actors (Lubell et al. 2002).

Informal groups or councils are voluntary associations of elected or appointed public officials that meet on an informal basis to share information and coordinate service activities. Informal group decisions can take the form of collectively reinforced shared understandings and expectations that, although only socially enforced, are binding. For example, in the Milwaukee metro region local development officials informally agreed to inform one another when a firm currently operating in one jurisdiction approached another regarding location incentives to move (Steinacker and Feiock 2003). Working-group coordination can also take the form of routine interactions through professional associations or community conferences (LeRoux 2007). In the Tampa Bay, Florida, area, the coastal communities meet monthly over lunch to share ideas, information, and informally coordinate actions through mutual consent absent any formal authority or enforcement mechanism.

Policy networks provide the greatest local autonomy in cooperative governance of local services. Network interactions can foster norms of trust that help participants identify partners where defection is less likely. Repeated face-to-face interaction is especially important in order for norms of reciprocity to develop and cooperative agreements to form (Axelrod 1984). Unlike formal authority structures that are defined in statute, policy network structures emerge unplanned from interactions among local actors. Informal networks coordinate complex decisions within the formal structure. They preserve full local autonomy and require no formal authority, although higher-level government can influence their development (Schneider et al. 2003).

It can be seen therefore that the institutional collective action problems engendered in "irrationalist" forms of government can be mitigated or solved in a multiplicity of ways evolving to solve specific problems faced by local governments of all forms. How efficient these methods are is difficult to empirically examine, but they are often preferred by local actors both to preserve local autonomy and power but also to ensure local variation.

5. Conclusions

Arguments for consolidated or fragmented government will not go away. And these ideas do not only apply at the urban level. Hooghe and Marks (2003) have argued that these competing ideas are replicated in the urban literature, writing on the European Union, within international relations and with public administration and public policy fields. As we argued, empirically examining the efficiency, effectiveness, and equity of different institutional forms is difficult and problematic; hence the issues will continue to be debated. We have examined arguments for competition both theoretically and reviewed some of the empirical evidence. It is clear that as pure conditions for competition cannot be maintained

in the urban sphere—the complex nature of the goods and services provided, the high search and exit, and noisy signals for public authorities from such market movements—competition alone will not bring efficiency. For that reason in complex governance settings, many forms of institutional collective action need to develop. In our final section we reviewed these multiple forms. It is too soon to give definitive views on the efficiency of these processes, but there is no doubt that in the "irrationalist" forms of complex service delivery both citizen and public sector organizations respond to inefficiencies by attempting to coordinate activities. This does demonstrate that Hayekian evolutionary ideas do help to form local government structures where there is a lack of central "rationalized" organization. However, it is far from clear how efficient any equilibrium institutions that emerge will prove to be.

Competition might bring gains, but given the public good quality, externalities and spillover effects of many urban services, and the demand of equity and equality in public provision, cooperation is more important. In theory cooperation reduces the efficiency of competitive processes, but no pure competition exists anyway because of transactions and information costs. The past twenty years have seen growing irrationalism at the local level, not only in its heartland of the U.S. but also in the state-centered systems of Europe. Given this growing trend the types of cooperative systems that we have reviewed are likely to continue and will need to be strengthened.

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CHAPTER 4

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URBAN POLITICS AND THE NEW INSTITUTIONALISM

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JONATHAN S. DAVIES AND JESSICA TROUNSTINE

1. INTRODUCTION

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When political science first emerged as a social scientific discipline in the early 1900s scholars tended to study the political world by carefully describing the legal and formal structures that defined the state. At midcentury, a revolution occurred as they began to argue that the narrow focus on institutions failed to explain important political outcomes like the rise of Nazism or the domination of elite preferences in policymaking. The field as a whole came to embrace the tools of social psychology, focusing on the behavior of individuals to understand political phenomena. But, over time, these explanations also came to be viewed as incomplete as Marxist and other structural explanations came to the fore. The rise of new institutionalism from the mid-1980s represented yet another field-wide turning point. Scholars turned toward analyzing the ways in which formal and informal institutions create and constrain individual behavior and the ways in which individuals affect the establishment and transformation of the structures themselves. Since this time the study of institutions has played a prominent role in political science research.

This chapter explores the development and applications of neoinstitutionalist thought in urban politics, evaluating the strengths and weaknesses of different approaches and identifying gaps in the field for further research. It demonstrates

how institutional theories have, in various guises, come to dominate urban political research. The chapter suggests that institutionalism has a bright future in urban politics, although there are potent criticisms and lacunae, which the next generation of studies will need to address. The chapter proceeds by first outlining the distinction between "old" and "new" institutionalisms and then exploring the dominant neoinstitutional approaches in the urban field: rational choice, sociological and historical institutionalisms. It subsequently looks at ways in which new institutionalist theory has been applied in practice, then discusses controversies and limitations and suggests directions for future research. In conclusion, we argue that there is tremendous opportunity for growth in the field of urban institutionalism.

In order to help organize our discussion, we begin by explaining what we mean by "institution." Lowndes (1996: 182) provides a helpful three-part umbrella definition of the term. She argues that institutionalism is a meso-level concept, meaning that institutions are both "created by, and constraining of, political actors" and are situated within macro social structures (Lowndes 2001: 1963). Additionally, institutions may have formal or informal aspects and finally, they have some legitimacy and persist over time. Institutions also allocate authority and divide labor among participants such that different actors are assigned particular rights and obligations. Institutions are the embedded legacies of past human action and thus prefigure the actions of the people who constitute them, making decisions seem routine and unproblematic. Thus, an overarching definition of "institution" might be "rules, structures and norms that create and enforce cooperative behavior among individuals and groups." Although institutions are not immutable, they are difficult to change and they embody power; so understanding an institution requires understanding its origin and how (and whether) it has been altered over time.

2. INSTITUTIONALISMS OLD AND NEW IN URBAN POLITICS

At the turn of the twentieth century, as cities rapidly expanded with the force of industrialization and immigration, many students of municipal affairs became deeply worried about the possibility of successfully managing the modern American city (Murphy 2002). Political machines dominated local politics through party organizations, created corrupt and inefficient government, and maintained office by supposedly bribing immigrant masses into loyalty (Bryce 1888). Formal institutions in this environment were a facade; the locus of power was the party hierarchy headed by the infamous boss. The solution for many was the reinvention of city government through municipal reform. The clearest expression of reform ideals was offered by the National Municipal League, founded in 1894. Throughout the early 1900s the League produced a series of model city charters intended to produce incorruptible city government run by experts and supported by a knowledgeable,

decisive electorate (National Municipal League 1916). It was thought that these were the necessary preconditions to allow elected officials the freedom to pursue growth and development, and to undermine the control of bosses (Murphy 2002). Reformers firmly believed that their goals could be achieved through the revision of city charters and state constitutions. Thus, we might say that the first informal institutionalists in urban politics were those scholars who conducted detailed studies of political machines, while the first formal institutionalists were scholars and practitioners committed to the promotion of municipal reform.

The reform agenda supported a range of institutional changes intended to increase the efficiency and efficacy of government by limiting the effects of political forces like parties, voters, and elected officials on city government. Reformers argued that the "right to good government" should take precedence over the "right to self-government," which required a focus on hiring professional administrators to run municipal affairs and eliminating "politics" from city government. The result was a push for council-manager systems, decreased pay for elected officials, and civil service systems for hiring city workers; in other words changes to institutions thought to be beneficial to political machines.

Additionally, reform organizations supported the enactment of nonpartisan local elections, arguing that parties should be irrelevant to urban administration. Because reformers argued that they had identified the most appropriate approach to good government, political institutions that made governance conflictual, like parties, served to stymie progress. Nonpartisan elections on the other hand promised "to take the city government out of politics" ("Tired of Bossism" 1888: 1). Along these lines, reformers also promoted citywide (at-large) elections to prevent narrow interests from influencing local government. Finally, reformers proposed, lobbied for, and supported the passage of suffrage restrictions at the state and local level including literacy tests, abolition of alien suffrage, registration requirements, poll taxes, obscure polling places, and measures that decreased the visibility or comprehensibility of politics, like nonconcurrent, off-year elections. In essence, municipal reformers sought to limit the size of the electorate and to reduce participation by their opponents in order to establish dominance (Bridges and Kronick 1999, Trounstine 2008). Because reform opposition tended to be comprised of the working class and people of color, these tactics and goals were often imbued with racism, producing political, economic, and social inequality where they were successful (Bridges 1997).

Although the commitment to efficiency was being challenged within the world of public administration by the middle of the 20th century, it took urban scholars another decade to begin to critically analyze the effects of the institutional changes reformers had promoted and come to see that the elimination of politics was neither possible nor desirable. This delay was due in part to the commitment of political scientists like Frank Goodnow, Charles Merriam, Woodrow Wilson, and Richard Childs to the reform view that city governance ought to be apolitical and in part to the early institutionalist stance that government could be understood by describing and prescribing particular formal institutions.

As was true in political science more broadly, new research emerged in the 1950s that strove empirically to explain politics and government in cities. Much of this work was either behaviorally focused or concentrated on forces external to municipal government. A large portion of this work was concerned with who *really* has the power to influence municipal policy, regardless of their legal authority to do so; in other words regardless of the formal institutional setting. This "community power debate" dominated the urban politics literature for the next thirty years (see Harding 2009 for a critical review). Represented by Floyd Hunter's 1953 study of Atlanta, elite theorists argued that local decision-making was dominated by entrenched socio-economic elites. Community policy in Hunter's view was determined by a handful of men in the larger, private corporate world who persuaded public officials to act on their behalf when necessary. In response, the pluralist school of thought, exemplified by Dahl and his students, argued that power is fragmented and decentralized and that policy outcomes are the result of bargaining among competing pressures and preferences in the local political arena (Judge 1998).

To the extent that formal and informal institutions distribute power, one could imagine a place for institutions in either elite theory or pluralism. But early elite theorists and pluralists paid scant attention to differences in power distributions via institutions. The primary emphasis in both theories was on the preferences of political actors in their pursuit of municipal policy. For elite theorists these actors are elites outside of the formal governmental structure; for pluralists they are interested members of the community. The assumption in much of the work was that strong preferences will make their way into the political system, irrespective of the institutional setting (although Dahl did indicate that fragmented institutions generated multiple access points for diverse pressures to influence policy).

In the 1980s the focus swung back toward institutions as scholars began to argue that the preferences and power of political actors both generated and was influenced by formal governmental structures and informal patterns of interaction. These "new" institutionalists tend to claim that the "old" institutionalists (e.g. Goodnow 1900) were overly concerned with formal rules and organizations, particularly the structures of representative democracy and the formal organizational structures of city government, effectively reducing the study of urban politics to the study of urban government (Lowndes 2001: 1954). Neoinstitutionalism typically allows for a broader set of influences in decision-making than the old. For example, in *A City in the Republic* (1984), Bridges offered an institutional explanation for the appearance of political machines as the most common form of city politics in the nineteenth- and early twentieth-century United States. Although the dominant explanations of the appearance of machines attributed their origin to the political culture of Irish immigrants (Moynihan 1964) or working-class "self-regardingness" (Banfield and Wilson 1963), Bridges argued that the appearance of machines was best understood as the consequence of conflicts associated with early industrialization in the context of widespread suffrage. In addition to bringing nongovernmental actors into the picture, neoinstitutionalism also depicts the state itself as internally differentiated, a "distinct ensemble of institutions and organizations," as Jessop (2008: 9) put it.

Kjaer (2004: 2) argues that since the late 1980s neoinstitutionalism has become central to political science and that it grounds studies of governance across the subdisciplines. New-institutionalist thinking also spans other social science disciplines, including economics (North 1990), organization theory (DiMaggio and Powell 1991), and sociology (Granovetter 1973). In political science, March and Olsen led the way (1989). They distinguished rational choice from normative (or sociological) approaches, the former explaining behavior in terms of the "logic of consequentiality," the latter in terms of the "logic of appropriateness" (March and Olsen 1989: 160–62). The distinction was essentially between the rational actor's calculation of her options and their likely outcomes and the norm-governed actor's instinctive or conscious evaluation of whether a course of action conforms to given values. The "sociological" interpretation of political institutions as rule-governed decision-making environments composed of "rule-following individuals" dominates institutional approaches in urban politics, although rational choice variants which depict institutions as constraints on the choices of otherwise rational actors, do retain some influence (Ostrom 1991: 238) as does historical institutionalism (e.g., Davies 2004). We explore the rational choice, sociological, and historical variants of neoinstitutionalism in greater depth below.

Milestone publications followed March and Olson, including Hall and Taylor's (1996) article, categorizing the rational choice, sociological, and historical forms of institutional theorizing; Peters's (1999) book, which identified six varieties; and Lowndes's (2001) article in *Urban Studies*, which mounted a robust case for institutional analysis in urban politics (see also Lowndes 2009). Thus, as Kjaer maintains, new institutionalist thinking of various kinds quickly became established in political science and the urban politics subfield.

In Britain, real-world changes in the structure of local governance lent support to new institutionalist thinking, with the wave of "new public management" reforms fragmenting local government and endowing undemocratic agencies, business, and voluntary sector providers with new roles in public service delivery (Lowndes 2001: 1955). In the United States too, the rise of public-private partnerships and an emphasis on nongovernmental service providers underscored the need to adopt an expansive definition of institutions (see Ammons 2003). In this fragmented environment, urbanists began examining the informal ways in which the rules of the game, or "logics of appropriateness" are established, maintained, and embedded in the common sense of diverse political actors, thus giving shape and continuity to political action (e.g., Lowndes and Wilson 2003: 279).

Over the past twenty-five years, or so, this understanding of the local political arena as involving both public and private actors has led urban institutionalists to focus primarily on informal institutions with stability seen as a defining feature of the political landscape (Kooiman 2000: 158). This preoccupation has been, to some extent, at the expense of analyses of formal institutions. For instance an enduring debate over who has power has led urban scholars away from analyzing the legal structure of city governments, toward a focus on the informal but stable relationships between elected officials and economic elites (e.g., Stone 1989). It is often argued that insufficient attention has been paid to the formal and informal context

in which these relationships develop and change (see Clarke 1995, or Goodwin and Painter 1997 for a longer explanation of this criticism), although Torfing (2001), Hay (1999), and Crouch (2005), among others, have developed analyses that are sensitive to the dynamics of change. We reflect below in greater depth on institutional continuity and change, in the context of historical institutionalism.

3. New Institutionalist Approaches

While there are strong links among different approaches, the neoinstitutionalist tradition is internally differentiated. Scholars invoke varied definitions of the term "institution" and so have divergent foci and reach different conclusions. Above, we define institutions as the "rules, structures, and norms that create and enforce cooperative behavior among individuals and groups." Some scholars focus on rules and structures while others focus on norms. Similarly, some scholars focus on the ways in which institutions constrain behavior and outcomes, while others are most concerned with the factors that generate the institutions in the first place. It is thus important to examine alternative institutional approaches and this section explores three that are salient to the study of urban politics: they are the rational choice, sociological, and historical institutionalisms.

3.1. Rational Choice Institutionalism

Rational choice institutionalism takes a deductive approach, frequently invoking the tools and language of game theory to depict institutions as limitations on the choices of rational actors. By analyzing the incentive structures institutions create, rational choice theorists seek to make testable predictions regarding individual behavior and aggregate political outcomes. Some rational choice theorists take institutions as predetermined constraints that shape preferences, behavior, action, and ultimately outcomes. Other scholars study institutions as creations of the actors themselves; as collectively agreed upon ways of acting (Shepsle 2006). This means that a rational choice perspective can be brought to bear on either formal or informal institutions; however, a focus on formal institutions has tended to dominate research in this tradition.

An important issue for rational choice theorists is the difficulty in achieving collective action given the attractiveness of free-riding on others' efforts (Olson 1965). Thus, the rational choice perspective often views institutions as having arisen as solutions to particular collective action problems and as generating and maintaining equilibrium outcomes. Some work in local politics, primarily in the field of urban economics, takes this approach. For example, Tiebout (1956) starts from the position that residents select the location of their home based on the package of public goods and taxes offered by the municipal government; the more municipalities from which residents can choose, the closer residents will come to having their

preferences realized. This leads to the conclusion that in equilibrium, competition among localities results in homogenous preferences among residents where no individual can be made better off by moving. Peterson (1981) builds on Tiebout's theory to argue that the competition among localities for population and business will lead cities to offer a package of public goods and taxes that emphasizes redevelopment and de-emphasizes redistribution.

Despite his enormous intellectual impact on urban politics scholarship few scholars followed Peterson's lead in consciously invoking a rational choice theoretical framework for studying institutions.[1] This is, perhaps, unsurprising given the predilections of the urban subfield (see Imbroscio 2010). There is a large literature that analyzes the effects of formal governing arrangements and electoral rules on representation and policy, but little work within political science has explained why institutions work by focusing on individual rationality. Furthermore, there are virtually no urban political science scholars who have used formal (e.g., game) theory in their work. This tendency has contributed to the marginalization of urban scholarship from the larger political science discipline, although the causes of the estrangement are hotly disputed.

However, the last two decades have seen a growing body of scholarship influenced by rational choice institutional approaches to local level politics. For instance, Trounstine (2008) argues that machine and reform political coalitions took advantage of formal institutions to increase their probability of reelection. The insulation from political threat altered elected officials' behavior in predictable ways; the benefits of municipal policy were directed toward a core group of supporters at the expense of the broader public. Berry and Gersen (2007) draw on principal-agent theory in an analysis of the relationship between the number of elected officials per capita and the representation of constituent preferences. They show that increasing the density of officials increases specialization in fiscal policy but also increases the costs of monitoring for voters, leading to a U-shaped relationship between density and efficiency. Mullin (2008) also takes a rational choice approach to argue that special districts isolate policymaking and encourage the development of expertise among officials. She finds that districts can therefore lead to policy outcomes that differ from those produced by general purpose governments, but only when the issue lacks salience. It is under these conditions that general purpose officials will be disinclined to pay attention to and devote resources toward the issue. In the UK, Keith Dowding and Patrick Dunleavy both developed rational choice accounts of urban politics based on adaptations of urban regime theory (e.g. Dowding, Dunleavy, and King 2000). However, rational choice institutionalism has otherwise had little influence on analysis of UK urban politics.

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1. Many scholars in the economics, planning, and policy fields do invoke an overtly rational institutional approach but the tradition has been uncommon among political scientists.