

**The Governance Effects of Metropolitan Reform:  
A Theoretical Inquiry**

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## **Introduction**

The persistence of highly fragmented metropolitan areas, even in the face of ridicule and censure by the academic community, has often been tied to governance concerns, even if not fully articulated. Suburban residents seem to cling tenaciously to their self-governing authority and independence. Historically, metropolitan consolidation—most often accomplished by means of the expansion of central cities—was driven by service concerns, and citizens have afterward had to cope as best as possible with the governance effects, as they seek, often fruitlessly, for reform. My primary purpose in this paper is to identify governance variables of theoretical interest and offer some conjectures about the impact of fragmentation/consolidation on these variables. In so doing, I will draw on a strand of theory that extends backward to early American republicanism, in which localism played a key role, but was best articulated in relation to local government somewhat later by Alexis de Tocqueville. Fragmented areas exhibit distinctive governance structures that distinguish them sharply from the governance structure typically found in a large consolidated city. Multiple dimensions of governance can be related theoretically to the institutional architecture of a metropolitan area.

### **I**

#### **Conceptualizing Local governance**

The nature of metropolitan governance varies with the structure of government in metropolitan areas. It may be obvious that a highly consolidated structure of government will produce a pattern of governance quite different from a highly disaggregated—often called fragmented—structure. Until a few years ago, it was a novel idea that metropolitan governance might exist in the absence of a unified metropolitan government (see Oakerson 1999). It is now

more widely accepted that area-wide governance arrangements can be added to highly localized governance arrangements without recourse to a single, overarching unit of metropolitan government. To some extent, this recognition has occurred under the banner of a “new regionalism” (see Savitch and Vogel 2000).

At the same time, in conceptualizing metropolitan governance—or governance more broadly, for that matter—it is important to recognize that *governance structures* have reference to much more than the structure of government alone (Parks and Oakerson 1993). What must be included as well is much of the structure of civil society. The key distinction between government and civil society turns on coercion: governments have legitimate recourse to coercion, while civil society is constituted by relationships based on willing consent. The presumption that governments govern $\cong$  (Oakerson and Parks 1989) is the source of an often myopic focus on the government $\cong$  that has plagued political science. Indeed, the term Agovernance $\cong$  has come into widespread use in political science only over the last 15 years or so. Broadly defined, governance is the joint work of government and civil society. It cannot be done by government alone; all governance is in some sense co-governance.

It is worth reflecting, briefly, on the *content* of governance--the substantive meaning of the term. A few years ago I was among a number of scholars who were asked by the U.S. Agency for International Development to do just that. I came up with the following laundry list of governance tasks, intended of course for application in a developing country context:

- X Keeping the peace. . . , within the framework of civil society.
- X Maintaining a condition of equal or common liberty. . . .
- X Defining property rights and enforcing contracts. . . .
- X Resolving conflicts. . . .

- X Raising revenue, equitably and efficiently. . . .
- X Providing for national security. . . . (Oakerson 1995)

I still think it's not a bad list. It clearly implies two things: governance is purposive, and it is multidimensional--it cannot be reduced to a single dimension, nor to a single value to be maximized.

It is important to realize, however, that local governance, and by extension, metropolitan governance, does not encompass the *whole* of governance. We know this, but we often forget it when we are talking about what we expect local governance to do. Local institutions can make a distinct contribution to the overall task of governance, but they are nonetheless limited in what they can accomplish. What is more, the productivity of local institutions will be sharply affected and potentially limited by the design of those more general institutions of governance in which local institutions are embedded. It is worth bearing in mind that what we in the U.S. consider to be legitimate and lawful institutions of local governance are in many parts of the world be considered to be outside the framework of the law, extra-legal or in some cases illegal.

The best statement ever written, I believe, on the potential contribution of local governance to the overall task of governance in a society is contained in Alexis de Tocqueville's *Democracy in America*. Over the last quarter-century, Tocqueville has become one of the most popular figures in political theory, in great part because he recognized the critical importance of civil society in the process of democratic governance. His emphasis on the importance of local governance is still not as well appreciated as it might be, I think, nor as well understood. Tocqueville's appreciation of local governance is not simply a paean to participation of any sort; it is a recognition of citizen productivity:

In no country in the world do the citizens make such exertions for the common weal. I know of no people who have established schools so numerous and efficacious,

places of public worship better suited to the wants of the inhabitants, or roads kept in better repair. (Tocqueville 1835, vol. I, p. 95)

What impressed Tocqueville was not only the extent of citizen participation but also its focus on the common good, what traditional republicans called *res publica*—the set of all things shared in common by a community. Tocqueville cited schools, churches, and roads—but the set is much larger, and it has grown larger over the years. It includes not only tangibles and but also intangibles, such as the peace of the community, the control of crime, and community prosperity. It has both local and national dimensions. Caring for *res publica* in its local dimensions is no trivial undertaking—not even in 2002. It is the focus of a great deal of human effort precisely because it contributes so much to human well-being and its neglect is so destructive of community life. *Res publica* can be viewed as the local commons writ large. A voluminous literature now suggests just how problematic governing the local commons can be (see Ostrom 1990), although its challenges can be effectively addressed by appropriately constituted local communities.

Besides its productivity, local civic engagement had the added advantage of teaching the arts of self-government and the virtues of citizenship:

Town meetings are to liberty what primary schools are to science; they bring it within the people's reach, they teach men how to use and how to enjoy it.  
(Tocqueville 1835, vol. I, p. 63)

Civic virtue, characterized by a willingness to serve the common good of the community, was tied, he argued, to self-interest. Tocqueville was convinced that equality would lead inevitably to a greater reliance on self-interest than on a sense of duty in serving society. This did not mean, however, that democratic citizens would inevitably behave selfishly; all depended on how individuals learned to construe or understand their self-interest. Americans, Tocqueville found, practiced a self-interest rightly understood,≡ that is, they construed their self-interest to include the

well-being of their local communities (Tocqueville 1835, vol. II, p. 132).

Tocqueville also articulated clearly the institutional conditions under which productive citizen participation will occur:

Even while the centralized power, in its despair, invokes the assistance of the citizens, it says to them: >You shall act just as I please, as much as I please, and in the direction which I please. You are to take charge of the details without aspiring to guide the system; you are to work in darkness, and afterwards you may judge the work by its results.= These are not the conditions on which the alliance of the human will is to be obtained; it must be free in its gait and responsible for its acts, or (such is the constitution of man) the citizen had rather remain a passive spectator than a dependent actor in schemes with which he is unacquainted. (Tocqueville 1835, vol. I, p. 94)

It is the freedom and power of the township to act independently of superior authority within the bounds of the law—its A independence and authority”—that prompts citizens to participate in its governance (Tocqueville 1835, vol. I, p. 69).

## **II Metropolitan Institutions**

I begin with an analysis of the institutions associated with the prevailing practice of metropolitan governance in the U.S. Overwhelmingly, this is metropolitan governance *without* metropolitan government. Only seven of the 259 metropolitan statistical areas have established some form of metropolitan government; this limits comparative statistical study. For my immediate purpose I am going to adopt a rather restrictive definition of >metropolitan area=: a *cluster* of relatively small, mostly adjacent municipalities that in the aggregate contain a relatively large population, one ordinarily measured in the hundreds of thousands or larger. The clustering of small municipalities (and often school districts) is one of the most important structural characteristics of metropolitan organization in the U.S., and much of the municipal behavior pattern observed in such areas derives from the advantages associated with clustering. The institutional

analysis discusses two broad sets of variables: (1) the *institutional architecture* of metropolitan areas and (2) the *governance structures* that emerge within the framework provided by that institutional architecture. The theory at work in this analysis is based primarily on Tocqueville's account of New England townships—with occasional references to the broader republican tradition on which he drew.

### **Institutional Architecture**

The architecture of metropolitan institutions rests on an *institutional base* that consists of municipalities (and often school districts) that are (1) small enough to function in a highly participatory manner and (2) in Tocqueville's phrase, exhibit *independence and authority*.<sup>1</sup>

Consider:

- X As Dahl (1990, p. 118) and many others have argued persuasively, the *size* of a democratic association that can function on the basis of citizen participation is quite limited. In many metropolitan areas municipalities with 20,000 residents or fewer are common; outside central cities, municipalities with 50,000 or more residents are relatively rare.
- X With Tocqueville, I posit that it is the *independence and authority* of a municipality that inspires the *loyalty* of its residents and prompts their exercise of *voice*, to employ the useful categories introduced by Hirschman (1970). The municipalities we are talking about are independent units of local government, not dependent sub-units.<sup>1</sup> Whatever the particular nomenclature (village, town, or city), municipalities by and large enjoy considerable autonomy or freedom of choice within the limits of the law; they exercise powers of government that do not require them to seek permission to act from higher

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<sup>1</sup> The distinction is made clear in the case of school districts, which differ between those that are

authorities.

Because of the legally dependent nature of municipalities as so-called Acreatures of the state,≡ there is some confusion on the second point (for a clarification see Oakerson and Parks 1989). Suffice it say that authorizing statutes in most states endow local municipalities with ample authority to act (though not, of course, unlimited authority). They are self-governing, but not sovereign.

Next, municipalities (and school districts) must have access to supplementary units of government to carry out necessary functions beyond their limited capabilities. Tocqueville's discussion of New England counties (1835, vol. I, p. 71) addresses this point: AThe extent of the township was too small to contain a system of judicial institutions; the county, therefore, is the first center of judicial action.≡ Eventually, in the metropolitan context, this sort of consideration led to the creation of intermediate units between municipality and county. Municipalities or their citizens were given the authority to add incrementally to the institutional base by creating supplementary governments. These increments have been added over time as municipalities encounter specific limits (usually of a technical sort, but sometimes of a legal sort) on what they are able to do. This led, beginning in the early 20<sup>th</sup> century, to the creation of special purpose districts, which now outnumber municipalities nationwide. The diversity of districts by purpose--fire protection, parks and recreation, water and sewer, libraries--indicates the pragmatic nature of their origins.

Structurally, the result is that the institutional base provided by small municipalities is accompanied by an *institutional overlay* that consists of a variety of special purpose districts, often overlapping

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independent and those that are dependent on another unit of local government, usually a city.

one another. Because one of the advantages of district organization is that they frequently do not have to follow municipal boundaries, a map showing local government boundaries begins to take on the appearance of the Acrazy quilt≡ that has energized simplicity-seeking reform groups over the years.

Finally, there must be an *institutional framework* that operates through a rule of law to provide for ordered relationships among the various units of government that coexist in a metropolitan area. This is also a point explicitly addressed by Tocqueville. One of the principal puzzles he sought to solve during the course of his visit to America was how it might be possible for independent units of local government, not subject to the authority of an administrative hierarchy, to coexist with general units of government—state and nation—without the society dissolving into chaos or anarchy. In his native France, he noted, and throughout the European continent, fear of anarchy was the great obstacle to municipal independence. The solution he found was the use of general legislation applied in the courts—in short, the rule of law. Instead of restricting the rule of law to relationships among individual citizens, Americans extended the concept to include relationships among local governments and their officials. State legislatures by law imposed A social duties≡ on municipalities; but the enforcement of those duties fell not to an administrative hierarchy headed by the state governor but to independent courts of law, before whom state and local officials stood as equals. Municipalities were not unfettered, but limited by the rule of law; at the same time, the rule of law protected municipalities from arbitrary supervision and control by state administrative authorities, thus maintaining township independence (see Tocqueville 1835, vol. I, pp. 67-68 and 78-80).

The institutional framework found in metropolitan areas conforms well to Tocqueville=s

prescription. Municipal authority is conferred and limited by state statute or constitution. State legislation affords a continuing opportunity to create social duties $\cong$  that municipalities are required to observe. Such duties are applied and enforced through the courts, frequently at the petition of citizens, not by means of a state department of local government. Ample opportunity generally exists to craft the authority of tightly clustered municipalities so as to control for external effects, as these become relevant. Because all of this is done by means of a rule of law, it does not diminish the administrative autonomy of local officials, who remain accountable primarily to their own citizens.

Beyond the allocation of authority among existing units of government, the institutional framework extends to the creation and dissolution of local governments, the alteration of their boundaries, and the design of institutions internal to a local government. The prevailing mode of decision-making is to assign basic constitutional authority to voters. The specific configuration of local governments in a metropolitan area is thus usually a product of direct voter choices ascertained by means of local referenda. If to be a creature *of* [blank] is to be created *by* [blank], most local governments are most directly the creatures of local citizens, not creatures of the state (Oakerson and Parks 1989), legal fictions to the contrary notwithstanding. Ample opportunity also exists for state legislation to create a new *type* of local government, with powers and duties not heretofore specified, that local voters can subsequently establish as a means of addressing some new sort of problem.

The result is a tri-level system of metropolitan decision-making (Parks and Oakerson 1989). First, there are policy choices made by officials and citizens in the context of existing local government; second, there are local constitutional choices made by citizens as units of government

are created, modified, or dissolved; third, there are state statutory choices formally made by state legislatures, which create and modify the repertoire of local institutions from which local citizens choose. Each level provides added leverage for dealing with public problems. Some problems can be dealt with adequately at the first level—on the basis of the existing governmental structure; others may require modifying the governmental structure, drawing on the existing repertoire of institutions; still others may require modifications in the institutional repertoire, either creating new types of governmental units or modifying the design of units already included in the repertoire. Instead of reducing all choices to policy choices, policy choice is separated from institutional choice (see Clingermayer and Feiock 2001), not just once but twice. In this way, if one set of decision-making arrangements is unresponsive, it becomes possible to have recourse to a different set of decision-making arrangements capable of modifying the first. The tri-level structure makes possible a continuing process of incremental reform, building greater adaptability into the system.

To sum up: the institutional architecture of metropolitan governance consists of (1) an institutional base that makes possible a broad functional base of citizen participation in local governance; (2) an institutional overlay of intermediate governmental units that supplements local municipalities and school districts, substituting for them in limited ways as needed; and (3) an institutional framework that (a) uses a rule of law to limit the authority of local governments without diminishing their administrative independence, (b) conveys to citizens the key constitutional decisions concerning the formation and dissolution of local governments, and (c) reserves to state legislatures the ability to modify the arrangements specified in (a) and (b).

### **Governance Structures**

Specifying the institutional architecture of a metropolitan area does not fully specify its

governance structure any more than the placement and dimensions of a room communicate its contents. In great part this is because the institutional architecture described above amounts to an open invitation to civil society to move in, occupy, and furnish the structure, animating it, as it were, with real human relationships among flesh-and-blood human beings. Civil society, it is useful to recall, refers to those elements of human association based on the willing consent of participants, as opposed to the inevitably coercive quality of government. It is not too much to say that civil society embodies the very purpose of government, enabling human beings to enjoy the advantages of freedom and cooperation instead of the miseries of fear, violence, and war. Although the stakes may not be quite as high in metropolitan areas as in other political arenas, the principle is much the same.

First, civil society occupies and animates the institutional base. Historically, many suburban villages began as homeowners= associations or as a league of associations—some began as garden clubs. Municipal incorporation does not usually lead to the dissolution of the parent association or to its inactivity. Rather, voluntary associations continue to function, carrying out community improvements, bringing concerns to the municipality, and recruiting local citizens to fill positions in local government. Elected officials usually serve in a part-time capacity: their official position is not a separate career but an extension of their local citizenship. At this level, government and civil society exhibit a high degree of *interpenetration*; there is no sharp boundary between the two because the same actors and leaders are involved in both. In such a context, local governance comes as close as possible to governance by your friends and neighbors. The governance structure is composed of elements of local government and civic association, intertwined to such an extent that they become nearly indistinguishable.

Beyond the municipal level, the next level of general-purpose government is usually a county. County government, however, is only of modest importance as a coordinator of municipal service activity. Much more important are voluntary associations of municipal and special-district officials—intergovernmental associations such as county leagues of municipalities and countywide organizations of police chiefs and fire chiefs. As civil, not governmental, organizations, intergovernmental associations exercise no formal powers; yet, along with countywide civic groups, they form a critical part of the governance structure of metropolitan areas. Their principal role is to provide a forum within which municipalities can address common problems and resolve differences. From intergovernmental associations emerge plans for coordination in service delivery, joint facilities and projects, and occasionally new rules of service provision that require formal adoption—in effect, ratification—by the state legislature.

While county *government* tends to make only a marginal contribution to municipal coordination, county *boundaries* are usually of enormous importance in defining the boundaries of metropolitan civil society. Indeed, the structure of the civil society typically follows county lines—although in large counties there may be sub-county regional associations that follow the local geography in some other respect. County boundaries are also useful in crafting state legislation that applies to a specific metropolitan area. Such legislation is often used to specify rules proposed by countywide intergovernmental associations and then sponsored in the legislature by the county delegation. This pattern enables a metropolitan area to exercise metro-wide or inter-municipal governance capabilities without recourse to any single unit of local government, including county government. Because county government is frequently a party to inter-local conflict rather than a neutral arbiter, this becomes an especially important capability, one that

creates a more level playing field for metro-politics. At the same time, consensus does not imply unanimity. It remains possible to take action without obtaining unanimous agreement, thus foreclosing the use of blocking strategies by municipal holdouts.

The institutional architecture of metropolitan areas therefore tends to generate a governance structure that relies at multiple levels on civil society. At one level, municipal governments are closely tied to civil society through patterns of voluntarism and civic association. At another level, municipal governments enter into relationships with one another through intergovernmental associations. As a result, local government in metropolitan areas is strongly defined and shaped by its relationship to civil society. Indeed, governance occurs as much through civil society as it does through government.

### **III Characteristics of Metropolitan Governance**

Metropolitan governance designed and structured as described above is associated with a number of important governance characteristics: (1) higher levels of citizen participation; (2) a less adversarial, more consensual politics; (3) strong representation; (4) a pervasive pattern of public entrepreneurship; (5) community differentiation and the self-sorting of residents; and (6) patterns of accountability that greatly amplify the capabilities of individuals for community self-governance.

#### **Citizen Participation**

Tocqueville's discussion of the conditions of strong citizen engagement in local communities leads us to anticipate that citizen participation in small suburban municipalities will tend to exceed that found in large central cities. Although impressionistic evidence has suggested this to be true for some time, the research of J. Eric Oliver (2001) has recently confirmed it. His

work is of considerable importance, in part for showing that municipal size makes a substantial difference even in the midst of a large-scale metropolitan area. The propensity to participate is thus not a function of social/psychological causes unconnected with municipal boundaries but of the civic opportunities created by small jurisdictions.

Oliver considers the following dimensions of participation: (1) contacting local officials, (2) attending board meetings, (3) attending organization meetings, (4) informal civic activity, and (5) voting in local elections. He finds that for

the first three civic activities. . . , steady declines occur as city size grows, although this effect is limited largely to metropolitan areas. For example, 40 percent of residents of the smallest towns in a metropolis (under 5,000 in size) reported contacting locally elected officials, compared to only 30 percent in medium-size places (5,000 to 50,000 in size) and 25 percent in the biggest cities (over one million). Meeting attendance declines thirteen percentage points between the smallest and the largest metropolitan places for community boards and twelve percentage points for voluntary organizations. People in the smallest metropolitan places (under 5,000 in size) are also more likely to work informally with neighbors and report the highest rates of local voting. . . (Oliver 2001, p. 42).

Moreover, when controlling for individual and place-level characteristics, the same negative relationship generally occurs between civic participation and city size (Oliver 2001, p. 47). The size of the surrounding metropolitan area makes no difference. Nor are there significant differences between metropolitan and rural areas. The single exception to the negative effects of size is voter turnout in the central cities of large metropolitan areas, which exceeds voter turnout in the smaller municipalities of those areas.

Perhaps most interesting of all, Oliver's research provides support for the *emphasis* that Tocqueville placed on the civic effects of municipal organization:

Political scientists typically focus on the differences between individuals based on their age or education. . . . But these results show large differences occurring by a city's size as well. The predicted difference in civic participation between the

smallest and largest places are larger than most differences across individual-level demographic traits, except for education and income. In other words, the differences in contacting or board meeting attendance between small towns and large places are greater than those between renters and homeowners, men and women, or whites and blacks. (Oliver 2001, p. 50)

Yes, institutions matter! And they matter a lot. Moreover, Oliver also succeeds in explaining (in substantial part) the size differences he found. Consistent with Tocqueville's explanation, he concludes that smaller municipalities make participation easier, makes citizens feel more empowered and interested in their communities, and bring neighbors together (Oliver 2001, p. 65).

Oliver also finds, however, that local citizen participation is negatively related to economic homogeneity as well as affluence (Oliver 2001, p. 87). This finding is not especially surprising. Participation can be driven by two very different motivations: (1) a desire to contribute to one's community out of a sense of self-interest rightly understood, or (2) a desire to protect one's interests from attack by others (or to gain at others' expense). Self-protection may be a stronger incentive than civic virtue. Oliver, however, explains his findings theoretically with reference to a conflict model of civic participation (Oliver 2001, p. 87). Such a model is the polar opposite of Tocqueville's conception of civic engagement as a consequence of shared identities, reciprocity, and common interests.

In any event, the initial findings cited above, which locate substantially higher citizen participation in small suburban municipalities, are findings based on zero-order (or uncontrolled) relationships. They are descriptive findings: citizen participation *is* higher in smaller suburban municipalities, their greater homogeneity notwithstanding. Such a finding can be considered evidence that the entire process of metropolitan governance in suburban areas, including the

processes of municipal incorporation and boundary change, is conducive to participation. Size effects continue to be significantly negative when economic homogeneity/heterogeneity is controlled (Oliver 2001, p. 224). Oliver apparently chooses not to stress this particular implication of his findings. He draws conclusions that, if not erroneous, represent exaggerated claims:

The political fragmentation of metropolitan areas into small suburbs can be an important mechanism for cultivating a citizenry that values social concerns. However, the social and racial segregation that comes as a by-product of this fragmentation undermines this community-building potential (Oliver 2001, p. 199).

Clearly, the beneficial effect of fragmentation is not undermined when suburban communities exhibit greater citizen participation than central cities in a straightforward comparison. Again:

By separating citizen from the metropolitan community and stifling civic activity, segregation prevents suburbanites from realizing their self-interest rightly understood. The social segregation of suburbs is not only harmful to democratic practice but impoverishing of the human spirit (Oliver 2001, p. 199).

No one will disagree that racial segregation impoverishes the human spirit; but metropolitan fragmentation cannot reasonably be charged with *causing* racial segregation. By social segregation, Oliver refers to greater economic homogeneity within municipal boundaries. Clearly, on the basis of Oliver's findings, the extent of social segregation *actually found in suburban municipalities* does *not* prevent their citizens from realizing their self-interest rightly understood. To the contrary, they are more engaged civically than their counterparts in the extremely heterogeneous central city.

### **A Less Adversarial Politics**

Most measures of participation miss the *character* of participation—its motivation and its effects. Northern Ireland ranks high among the nations of the world on some of the standard indicators of citizen participation. Yet, Northern Ireland, as we all know, is a far cry from a civil

society. It is important to consider, not only the quantity of participation occurring in a metropolitan area, but its distinctive character and quality.

The nature of small municipal organization in metropolitan areas makes possible a distinctive style of democratic politics, a style identified by Jane J. Mansbridge (1980) as non-adversarial politics, a politics of common interests. When interests are shared in common, collective decisions become more deliberative because they can be based on their technical merits. For example, she explained a Vermont town meeting's unanimous adoption of the budget for the volunteer fire department in these terms:

The homogeneity of the town's population meant that risk from fire did not vary enough among the individuals at the town meeting to give them substantially different needs for fire protection. The implicit questions before the meeting became administrative: "What is the appropriate level of fire protection for everyone?" and "Is this level being delivered for the lowest cost?"

Reasonable people can still disagree over such issues, but new information and the open discussion of alternatives tend to reduce the level of disagreement without requiring some individuals to compromise their interests. Although Mansbridge based her conception on observations of a rural Vermont town, her characterization tends to fit small suburban municipalities quite well.<sup>2</sup> She argues that such a style of politics carries with it some important advantages, including, in particular, the cultivation of civic virtue based on individual identification with the common good, in other words, a self-interest rightly understood.<sup>3</sup> A less adversarial style also makes it possible for civil society to partner with government in the process of governance—to be a co-producer of governance and problem-solving—rather than mainly acting on the demand side as an advocate or

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2. The less adversarial politics characteristic of small municipalities is consistent with the tendency of smaller towns and cities to adopt council-manager government, while mayor-council forms predominate in large cities.

special-pleader. If small suburban municipalities contribute this ingredient to metropolitan governance, they make a unique contribution of considerable value to the broader polity.

A heavy reliance on civil society to provide the institutional facilities for addressing inter-municipal issues extends the less adversarial style to a metropolitan level. Like New England town meetings and suburban municipalities, intergovernmental associations seek consensus on the issues they face, even though they may face more internal conflict, thus extending the civic pattern of politics characteristic of the institutional base to include problems and issues that cross municipal boundaries.

The argument can be carried still further. If small municipalities are constituted so as to define relatively coherent communities of interest, each one capable of conducting its politics in a less adversarial style, they also increase the potential for the politics of more inclusive units of government to be conducted in a less adversarial style as well. By assigning territorially diverse interests to smaller units of government, more inclusive units are free to focus on limited interests shared in common on a wider scale. This is especially true of special purpose districts, which are usually organized around a single problem or service. As small municipalities and their communities organize overlying units to address particular problems, the participants continue to operate in a non-adversarial style. In the absence of municipal organization on a small scale, larger scale units of government necessarily become more adversarial. Large-scale government in the absence of small-scale government actually *creates* conflict by combining highly diverse interests

in a single, comprehensive political jurisdiction.<sup>3</sup>

For these effects to occur, however, the primary unit of government must be sufficiently small to generate a non-adversarial style. Once a size threshold is crossed, adversarial politics is almost certain to develop. Municipalities sufficiently large to obviate the need for most overlying units are likely to be too large to sustain a non-adversarial politics. Efforts to determine an optimal city size $\cong$  ordinarily presume that a single unit of government ought to be expected to do all (or most) things local. Any possibility of sustaining a less adversarial politics would likely be lost in such an effort. Counties are usually too large as well, and it is the county level in metropolitan areas (outside central cities) that often provides the first level of partisan political competition and ties the local arena into the larger political environment (Teaford 1997). Central cities of course are often the scene of fierce political competition. Some political observers may consider this to be lively and exciting, but many participants consider it to be frustrating and destructive of self-governance. Political theorists who *identify* politics with competition and conflict are usually disappointed with less adversarial varieties and frequently seek to eliminate such political arenas, thinking perhaps that the only democratic politics worthy of the name is one dominated by competition and conflict.

### **Strong Representation**

Higher levels of citizen participation in metropolitan areas coexist with patterns of strong

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3 . Such conflict can perhaps be mitigated if there is a strong, shared commitment to fiscal equivalence and the regular use of special tax districts to allow for the diverse expression of preferences. This pattern is characteristic of town (i.e., township) government in the metropolitan areas of upstate New York.

representation,≡ which is based on relatively low citizen-to-elected-official ratios. Among St. Louis County's 90 municipalities in 1987, for example, that ratio ranged from less than 500 to 1 in the smallest villages to 3,000 to 1 in all but the very largest units. The aggregate result was startling: incorporated St. Louis County elected more than 700 municipal officials to serve its 3/4 of a million residents (Oakerson and Parks 1988). The contrast to central cities is stark: a central city of similar size typically would elect only a dozen—or perhaps two dozen—city officials. The typical metropolitan/suburban pattern amounts to an extraordinary investment in representation. Without doubt, this investment increases citizen access to local government; little wonder that Acontacting officials≡ is considerably greater in the smallest municipalities, as Oliver (2001) reports. It clearly also reinforces the interpenetration of local government and civil society, linking civil society to government.

Interestingly, the metropolitan pattern is highly consistent with the traditional republican model of representation popular at the time of the American founding, a model that insisted on very small constituencies as a necessary condition for obtaining the Aconsent of the governed.≡ Moreover, in this context serving in elected office is itself a mode of citizen participation. When there is no sharp boundary between government and civil society, serving as an elected official is not qualitatively different from holding office in a civic association or local church.

### **Public Entrepreneurship**

Strong representation together with a highly organized civil society operating at multiple levels provides an appropriate set of constraints for the conduct of public entrepreneurship. Public entrepreneurs are individuals—frequently elected or appointed public officials but often private citizens—who identify public problems and craft potential solutions, shouldering the burden of

securing the consent needed to obtain adoption and implementation (see Oakerson and Parks 1988).

The process is one that depends on both *initiative* and *consent*.

Initiative, in turn, depends on both opportunity and incentive. The opportunity to exercise initiative depends on a Tocquevillian independence among local officials, which is secured by the legal independence enjoyed by most units of local government. The potential for entrepreneurship is a function of the number of possible sources of entrepreneurial initiative. In a metropolitan area with a large number of small units of local government, this number is very high. Incentive is increased by the stacking or layering of units of government, which increases the probability that a problem will significantly affect the ability of some public official to perform well, thus creating incentive to address the problem. Besides opportunity and incentive, entrepreneurship also depends on individual attributes such as creativity, imagination, energy, persistence, and so forth. Because these qualities are unequally distributed, the opportunities and incentives for public entrepreneurship must always exceed the actual amount of entrepreneurship that occurs. Not everyone is cut out to be an entrepreneur.

Consent is required from numerous sources. Ultimately, it may be required from elected representatives in a number of municipalities or in the county delegation to the state legislature. Along the way, it will likely be necessary to obtain consent from political or professional peers in the context of an intergovernmental association. Numerous opportunities will exist for others to enter objections and help to shape the solution being advanced. From the point of view of citizens being served, successful public entrepreneurship depends as much on the quality of the consent that must be obtained as the opportunity to exercise initiative. Private entrepreneurs confront the marketplace; ultimately, they must attract consumers, although along the way they must attract

support from bankers, shareholders, and employees. Public entrepreneurs confront a similar set of constraints; ultimately they must please voters, but along the way they must attract an array of supporters—peers, other appointed officials, and elected representatives.

Civil society facilitates the process of public entrepreneurship by providing forums that connect entrepreneurs more easily with those from whom they need consent. Intergovernmental associations in particular function this way. The existence of such associations greatly reduces the transaction costs that could otherwise overwhelm the process. Imagine trying to negotiate a series of bilateral agreements with 90 municipalities! Intergovernmental associations facilitate negotiation in much the same way as a legislature. Indeed, county municipal leagues may frequently operate as *shadow legislatures* for dealing with the intergovernmental dimensions of metropolitan governance.

### **A Voting with your Feet**

A multiplicity of primary local jurisdictions creates opportunities for differentiation among communities with respect to housing configurations, life-styles, and concomitant public services. Residents, obviously, can choose among these communities, depending on housing availability and income constraints, among other factors. This leads, in turn, to greater diversity *among* communities in a metropolitan area as well as to greater homogeneity *within* communities. A significant degree of homogeneity within local municipalities is necessary to sustain the less adversarial politics discussed above. Note in particular that what is predicted here is a *metropolitan or suburban area* that is diverse, not homogeneous. Driving through a suburban area governed by a multiplicity of small local governments, one is struck, not by the dull and lifeless conformity of the area, but by the diversity of the communities clustered together there.

The self-sorting of residents among local jurisdictions is often called Avoting with your feet.≡ Availability of such a choice-set surely increases residents= satisfaction with their chosen communities. Many students of metropolitan areas have also assumed that residential choice also contributes to metropolitan governance by engendering *competition* among local governments. The degree to which such an effect occurs is less clear. As Roger Parks and I have pointed out (Oakerson and Parks 1988), the entry and exit of residents imposes only a weak form of market discipline in a world of homeownership and property taxes, at least when compared to the degree of market discipline experienced by the typical retailer. The difficulty is the lag time between municipal inattention or inefficiency and the consequent Acash drawer≡ effect on municipal revenues, prompted by falling real estate prices. The lag time is crucial, however, for responding effectively, leading to a conjecture that citizen Avoice≡ rather than ≡exit,≡ to use the Hirschman (1970) formulation, is the more critical ingredient in local governance. Clearly, the prospect of declining property values can motivate *both* local citizens and local officials to tend to business. The key is to have in place a political jurisdiction with ample incentive to respond to problems (Oakerson and Svorny 2002). This must be a jurisdiction closely tied to the interests of local residents.

### **Accountability and How It Works**

In suburban areas metropolitan organization tends to get built from the ground-up. As municipalities and school districts reach the limits of their service provision or production capabilities, they join together to organize overlying units—special purpose districts, joint production facilities, and various other service agreements and partnerships. The result is the stacking or layering of jurisdictions. A single household may be subject to a number of such

specialized units. While this generally makes sense either in provision or production terms (see Oakerson 1999), it often is thought to be counter-productive in governance terms. The puzzle is this: how can an individual citizen keep track of and thus hold accountable such a large number of independent public officials? Fridley, Minnesota, once upon a time, made it into state and local government textbooks as an absurd example of piling governments on top of governments: Fridley had eleven. Overlapping jurisdictions, it is argued, simply confuse citizens and create insurmountable monitoring difficulties. Robert A. Dahl, while arguing the case for nested governments, contends that the number should probably be limited well short of Fridley's eleven levels (Dahl 1990, pp. 70-71). Many analysts would recommend at most two (local) levels. The reason, of course, is the limited time and energy available to individuals.

Dahl's argument has a very sensible ring to it. If accountability is construed in individualistic terms, it is true that individuals face radical limits in the number of officials and units of government they can hold accountable. Viewed from this perspective, the number of units of government and government officials in highly complex (or fragmented) metropolitan areas surely does approach the absurd. If, however, accountability works more collectively, in some cases reciprocally, and frequently indirectly, individual citizens need not monitor everything. Complex metropolitan areas may then be workable. The key to their workability is civil society. Individuals use the art of association (as Tocqueville termed it) to *amplify* their capabilities, not only in accomplishing the discrete tasks associated with caring for their local communities but also in carrying out the work of accountability. If so, accountability far exceeds the capabilities of any single individual.

Consider how public entrepreneurship works. Any given entrepreneur is subject to multiple

sources of constraint—the need to obtain consent from various sources. The interests of various communities get represented—without individual citizens having to monitor the entire process. Instead of simply multiplying the number of officials that individual citizens must hold accountable, the complexity of a metropolitan area together with its civil society amplifies the capabilities of individuals, effectively enhancing accountability to citizens.<sup>4</sup>

As Ostrom, Tiebout, and Warren (1961) pointed out more than 40 years ago, metropolitan areas exhibit a *polycentric* system of order (see also Ostrom 1999). Polycentricity is able to achieve a degree of accountability well beyond that which can be achieved by individual citizens acting in relation to a monocentric system, one characterized by a single, dominant center of power, such as a metropolitan government.

### **Conclusion: The Effects of Metro-Reform**

Anticipating the governance effects of metropolitan reform depends, of course, on whose reform program is being evaluated. Because calls for standard metropolitan government are still heard, it is important to address that possibility. I will also address J. Eric Oliver's call for a rationalized two-tier system (Oliver 2001, p. 211).

Large-scale metropolitan government would lead to (1) greatly reduced citizen participation, (2) an exclusively adversarial style of politics, (3) dramatically lower levels of representation, (4) severely reduced levels of public entrepreneurship, and (5) sharply weakened democratic accountability. In order to compensate, in part, for these changes, it would be necessary to restructure the metropolitan civil society from top to bottom. Self-governance on the part of

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<sup>4</sup> The argument is similar to that propounded by Berger and Neuhaus (1977) on the importance of “mediating institutions.” The corollary offered here concerns the implications of mediating institutions for the institutional architecture of metropolitan areas.

local communities would of necessity be replaced by special pleading. In more fragmented arrangements civil society provides partners for government at multiple levels, not (as often) adversaries, nor simply lobbyists. Moreover, civic associations would suffer from much more restricted access to government. The productivity of civil society would be sharply diminished, as the difficulties of obtaining collective action were magnified. Not long after the institution of metropolitan government, citizens would begin searching for ways to disaggregate local problems so that they might be dealt with more responsively and effectively. But they would find their efforts to obtain reform thwarted by the destruction of the tri-level system of metropolitan decision-making that characterizes the polycentric metropolis and its replacement by a single, unified structure of authority.

Oliver's proposed two-tier system, with a base composed of municipalities of 50,000 to 100,000 residents, is less destructive in suburban areas and would make a positive contribution in central cities. In suburban areas, it too would (1) reduce citizen participation, (2) deprive citizens of a less adversarial politics, (3) lessen representation, (4) reduce public entrepreneurship, and (5) weaken accountability. In addition, in order to achieve these institutional results, it would be necessary to deprive citizens of their constitutional role in the formation of local governments. They would have to be forced into municipal consolidations against their will. This would destroy one whole level of metropolitan decision-making, a level that contributes at present to a continuing process of institutional reform and adaptability. Instead, one must assume that an appropriate set of units can be devised by external observers and fixed in place until changed by equally knowledgeable outsiders. One can seriously question whether any institutional arrangement that might be devised would be adequate to the task.

For what great purpose would these steps be taken? Not for greater efficiency in government; evidence strongly suggests that efficiency would decline; it certainly would not increase (see Oakerson 1999). Not for social harmony—at least not in the near term: Oliver expressly intends his reform to enhance conflict. Not for social integration: patterns of social segregation among neighborhoods do not disappear when municipal boundaries are expanded. Not for social equity: there is no evidence to suggest that poor neighborhoods are really better off (as opposed to being the object of greater public spending) when included within a larger jurisdiction. Not for civic engagement: Oliver’s own evidence suggests that productive civic engagement would sharply decrease, as unproductive, rent-seeking activities increase.

The principal flaw in Oliver’s argument is conceptual—referring to his concept of governance. A local government, he contends, is important primarily because it provides an accessible and small-scale arena for the resolution of social and economic conflict (Oliver 2001, p. 5). Note that *conflict* is central to this concept of local governance. To the contrary, the history and practice of local governance in America demonstrates clearly that it is intended to serve two great purposes: the care of *res publica*, that which is shared in common, and the cultivation of citizens of virtue—as Tocqueville anticipated. Patterns of metropolitan governance founded on small local jurisdictions closely connected to civil society are highly focused on the purposes he specified. Moreover, these purposes are far from trivial. Conflict resolution is also needed, as conflicts inevitably arise; this purpose is served by the presence of overlying jurisdictions, closely connected to civil society, that provide arenas for the constructive settlement of conflict. In a federal society, conflict resolution typically makes use of nested jurisdictions. But conflict-resolution is not the focus of local governance; *res publica* is.

Metropolitan reform as usually envisioned would have dramatic governance effects. We generally don't understand these effects very well because we don't understand metropolitan governance under conditions of fragmentation. The initial steps needed are theoretical: to identify and conceptualize the dimensions of metropolitan governance and tie those dimensions to the institutional architecture that prevails, for the most part outside central cities. As we do this, we begin to discover a rich world of governance, one that would be destroyed or crippled by reform efforts that greatly reduce the complexity of metropolitan organization. A serious reduction in governance capabilities would surely have equally serious social consequences.

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