Hubert Heinelt, Eran Razin,
Karsten Zimmermann (eds.)

METROPOLITAN GOVERNANCE

Different Paths
in Constrasting Contexts:
Germany and Israel

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Metropolitan Governance

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Metropolitan Governance

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Content

List of Tables and Figures

Acknowledgements

1. Metropolitan Governance: A new topic and an old debate

1.1 Research questions and methods
(Hubert Heinelt, Eran Razin and Karsten Zimmermann)

Metropolitan regions have increasingly become a focal point in the political as well as scholarly debate. On the one hand, metropolitan change is related to challenges resulting from globalization and increased societal diversity and fragmentation in densely populated urban areas. On the other hand, newly established metropolitan-governance arrangements have profound political and economic implications (see, for instance, Hoffmann-Martinot and Sellers 2005; Heinelt and Kübler 2005a). Public actors (from local government to agencies of upper-level government) are interlinked in these arrangements in complex formal and informal networks with private companies, business associations, trade unions and a multitude of civil society organizations.

1.1.1 Putting the debate into context

The restructuring of the political sphere at the metropolitan level can be related to the general debate on statehood and on how to govern modern societies (see Heinelt 2010, chapter 6) as well as to the diagnosis of a shift from government to governance. In this debate doubts are raised about the capacity of the political system to govern modern society at all. However, assuming that it is possible to govern modern societies, the relevance of formal hierarchical political-territorial structures is questioned and growing emphasis is given to horizontal networks (Barlow 1991; Razin 1996; Pierre 2000; Pierre and Peters 2000; Benz 2004). Furthermore, an old comment by Dahl and Tufte (on the issue of size and democracy) remains relevant, namely: "Different problems require political units of different size" (Dahl

and Tufte 1973, 135). This leads to the conceptualization of a system of vertically layered territorial political units reaching from the local to the global level which is complemented by functionally determined (sectoral) political entities overlapping vertically and also breaking through single territorial levels.[1] In such a flexible political geometry problems are taken up and addressed by different spatially related political units depending on specific and usually spatially determined challenges as well as the means to tackle them.

From a critical perspective it is argued that such a "flexible political geometry" creates a window of opportunity for political 're-scaling' (Swyngedouw 1998; 2000) and a "jumping of scales" (Smith 1984). In this respect it seems possible for actors to shift competencies and terrains of policy interventions upwards or downwards and to determine specific "spatio-temporal fixes" of governance (Jessop 2002) that meet their interests.

"This process of 'jumping of scales' […] is not neutral in terms of power relations. In fact, with changing scalar configurations, new groups of participants enter the frame of governance or re-enforce their power position, while others become or remain excluded" (Swyngedouw et al. 2002, 115).[2]

1.1.2 Outline of the research questions

Against the background of this debate (which will be reflected in more detail in Section 1.2) we start from the observation that the reconstruction of statehood leads metropolitan governance along diverse paths. It can encourage decentralization and complex networks of governance. However, it can also lead to privatization and concentration of power in the hands of central government agencies, and to the imposition of (different kinds of) reforms on local government. It can also lead to the (re-) establishment of a public authority complemented by a democratic representative body at the metropolitan level based on (endogenous) political choices by local actors.

Our *first research question* concerns whether or not these different paths depend on national specificities of the institutional setting (especially regarding the distribution of power and competencies between different

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1 For a summary of the debate on multi-level systems see Hooghe and Marks (2003).
2 See Keil and Boudreau 2005 for an application of this approach to metropolitan reforms in Canada and the USA.

territorial levels of government). To answer this question we will compare the development of metropolitan governance in the German and Israeli context (for the differences see Section 1.1.3 as well as Chapter 2).

However, varied metropolitan governance arrangements within a country (see for Germany the work of Blatter 2006 who analyzed the cases of Frankfurt/Rhine-Main, Munich, Hamburg, Bremen, Stuttgart and Hanover) point to a *second research question*: how can differences within a country (with broadly the same institutional structures) be explained? Here we start from the hypothesis that case-specific variables matter, but also consider spatially embedded cooperative actor behavior, actor-related factors like political leadership and particular local/regional incentive structures (Heinelt and Kübler 2005b). To answer this research question a conceptual framework is outlined below (in Section 1.3) and the cases included in our study are analyzed in a comparative way (see Section 4.2).

The *third research question* concerns the effectiveness of different metropolitan governance arrangements. More specifically:

- Can certain schemes of land use planning and their enforcement only be achieved by particular metropolitan-governance arrangements?
- Can a redistribution of costs for infrastructure, for the unequal distribution of welfare recipients etc. only be achieved by certain metropolitan-governance arrangements?
- What are the capacities of particular governance arrangements for (i) fostering the competitiveness of a metropolitan region and (ii) handling competition within the region plus developing metropolitan-wide coordinated policies in a variety of policy fields—such as public transpportation, education, and health service?

The *fourth research question* addresses the democratic quality of metropolitan governance. In line with the new regionalism argument, metropolitan governance can influence local democracy in contrasting ways (Kübler and Heinelt 2005). According to a pessimistic view, the emphasis given in metropolitan governance to efficiency and effectiveness can come at the expense of the influence of citizens' interest intermediation through voting and systems of territorial representation.[3] An optimistic view, however, argues that due to the complex non-hierarchical nature of network-based governance arrangements, majority decisions are limited and decisions are

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3 See Dahl 1994 for a similar argument referring to a general democratic dilemma between system effectiveness and citizen participation.

more likely to be reached after negotiation or through consensus after deliberation. Thus the deliberative qualities of metropolitan policy-making can be enhanced. Therefore, complex networks promote pluralism and civic culture. Which view is true? According to a hypothesis developed by Kübler and Heinelt (2005) and specified by Heinelt (2010) the answer depends on complementary relationships between territorial, functional, administrative and civil interest intermediation (Kübler and Heinelt 2005, 16–19). Such arrangements can be characterized by more open than closed policy networks and a particular vibrancy of civil society (Kübler and Heinelt 2005, 19–23) which results in input legitimacy (through participation in decision-making by voting but also by direct involvement of corporate, collective and individual actors), output legitimacy (through effectiveness of policy-making reached by the inclusion of relevant actors) and throughput legitimacy (through transparency and accountability in policy-making).[4]

1.1.3 The Israeli and German context of changes in metropolitan governance and the selected cases

The economic slowdown of the 1970s and 1980s encouraged municipal entrepreneurialism in Israel. The move from council elected mayors towards directly elected ones, in 1978, gave a further boost to local initiative. Rapid demographic and economic growth, between 1990 and 1996, associated with mass immigration that gave the Israeli economy a Keynesian expansionary shock and with progress in the peace process, further increased the significance of local governance. In addition, central government action in many fields suffered from a lack of coherence.

Israel plunged into unprecedented recession in the early 2000s, in parallel with renewed Israeli-Palestinian violence. Unlike the slowdown of the 1980s, which encouraged municipal entrepreneurialism, this crisis was 'big' for local authorities. Facing reduced transfers and seemingly never ending budget cuts, many local authorities barely struggled to survive, whilst also experiencing internal political difficulties, such as declining voter turnout and fragmentation of councils. As part of the response to the severe crisis, the Israeli government initiated in 2003–2004 unprecedented

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4 See Haus and Heinelt (2005, 14–16) and Heinelt (2010, 66–67) on the specificities of input, output and throughput legitimacy.

changes in Israel's local government system. These included amalgamation of local authorities, amendments to the local government laws that gave the Minister of the Interior new options to expropriate powers from elected local leaders in deficit-laden municipalities and to transfer powers from the elected mayor and council to the bureaucracy, and a large cut in central government transfers to local authorities (Razin and Hazan 2007a).

These moves have not only been a consequence of economic crisis, but can also be viewed as utilizing a window of opportunity created by the emergency situation for the implementation of reforms promoted unsuccessfully by the Ministry of Finance for years. The moves are based on the assumption that local government is part of the bloated and inefficient public sector that should be reduced and bypassed through privatization, rather than being a local actor capable of assuming responsibilities. Although influenced by American neoliberal ideologies, the reform largely followed the much more centralized Thatcherian approach. The moves did not aim to decentralize functions, but rather to recentralize them in the name of efficiency and privatization that bypasses local government.

According to common typologies (Hesse and Sharpe 1991; Page and Goldsmith 1987), Germany can be subsumed under the North and Middle European type of local government system. Israeli local government, in comparison, resembles the centralized Anglo-Saxon model—due to its British colonial foundations and the socialist orientation of state founders (Elazar and Kalchheim 1988). Despite relative political and functional weakness, Israeli local government does not come close to developing world models of extremely weak local government, and the nature of central government-local government relations in Israel tends to be somewhat fuzzy (Dery 2002). When Israel was established, the emphasis was on constructing a new Jewish state and local autonomy did not have a significant role in the state-building discourse. Therefore, it can be argued that unlike Germany, local government in Israel has not been perceived as a fundamental pillar of democratic life.

Inter-municipal cooperation has been on the agenda in German metropolitan regions since the 1950s, with booms in the 1960s and 1970s and reversals in the 1980s (Blatter 2005). The long tradition of inter-municipal cooperation is based on regional land use planning and issue-wise coordination by multi-task regional associations of municipalities and counties through which these units of territorial government tend to institutionalize policy networks that are dominated by municipalities and

counties. Open and informal networks with non-governmental actors are regarded with suspicion because of their less transparent and unstable character. This can be explained by a specific legalistic tradition of German public administration (Fürst 2005: 158). Thus, metropolitan governance is dominated by local government. At some risk of simplification, one can say that the developments in all the German regions were more or less similar. In the 1960s, and until the 1970s, integrated solutions and consolidated forms of metropolitan government were widely accepted and even partly implemented in regions like Hanover and Frankfurt/Rhine-Main. In both regions, even the most extreme organizational form of metropolitan government, the regional city,[5] was debated as a serious option in the late 1960s (Hanover) and early 1970s (Frankfurt/Rhine-Main).

In the 1980s the consolidated forms of metropolitan governance of the 1970s were criticized, and their competencies were restricted (Hanover, Frankfurt/Rhine-Main) or abolished (for instance in Brunswick). The 1990s marked a renaissance of metropolitan reform in almost all German metropolitan regions and some of the changes made in the 1980s were reversed. The recent experiences in metropolitan governance in Germany have not only been responses to exogenous factors but outcomes of endogenous factors of innovation and change (Gualini 2004). Initiatives to reorganize metropolitan government structures came mainly from the local level, motivated by the need to compete effectively at the national and EU levels. But, in the 1990s, the parallel development of the German regions began to disintegrate (Blatter 2006).

Today, the German metropolitan regions included in this study can be considered as different examples of the various forms of metropolitan governance to be found in Germany. Therefore, they provide a good basis for addressing the question of how diversity in metropolitan governance emerges. In Hanover, a newly established form of metropolitan government evolved on a voluntary basis, i.e. by more or less unanimous decisions of local politicians, whilst Frankfurt/Rhine-Main and Stuttgart

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5 We use the terms regional county, regional city and city county with reference to their usage in the German debate. A regional county *(Regionalkreis)* is usually a larger regional catchment area. From an institutional point of view a regional county is constructed as a two or three tier model with autonomous municipalities. The regional city *(Regionalstadt)* is a one tier model mostly applied to smaller areas (core city and adjacent municipalities). A city county *(Stadtkreis)* is a two tier model for a smaller catchment area dominated by the core city (see Heinz 2007, 105).

represent two cases of complex networks of governance involving public actors and a broader spectrum of societal actors (mostly from the business sector). However, they also differ greatly. The metropolitan governance arrangement in Frankfurt/Rhine-Main is fragmented (by scope and scale), characterized by severe tensions between municipalities as well as between local authorities and the government of the federal state of Hesse, and hardly capable of reaching common let alone redistributive decisions (including decisions on land use). The metropolitan governance arrangements in Stuttgart as well as in Rhine-Neckar (Heidelberg, Mannheim and Ludwigshafen) are more stable than the one in Frankfurt/Rhine-Main and are able to formulate common interests and to represent them within the German/EU multi-level system. Stuttgart was the first metropolitan region in Germany to establish a new metropolitan governance arrangement in the early 1990s. Munich, on first sight, shows similarities with Frankfurt as the governance arrangement is fragmented. However, more stable organizations of inter-municipal coordination as well as forms of co-operation between public and private actors are observable there.

We are now observing the emergence of a highly differentiated landscape of metropolitan-governance arrangements with reference to the functional scope, the geographical scale, the institutional form and even the content of metropolitan politics. This result is astonishing because on first sight the most recent spatial policy discourse suggests a very homogenous new metropolitan politics: that competitiveness has to be secured by inter-municipal cooperation and governance on a larger spatial scale. This dominates the most recent agenda of metropolitan governance in Germany and is put forward by a network of 11 metropolitan regions in Germany (European Metropolitan Regions in Germany, see Blotevogel and Schmitt 2006). The results are ambigious and in almost all the regions other policy goals are visible.
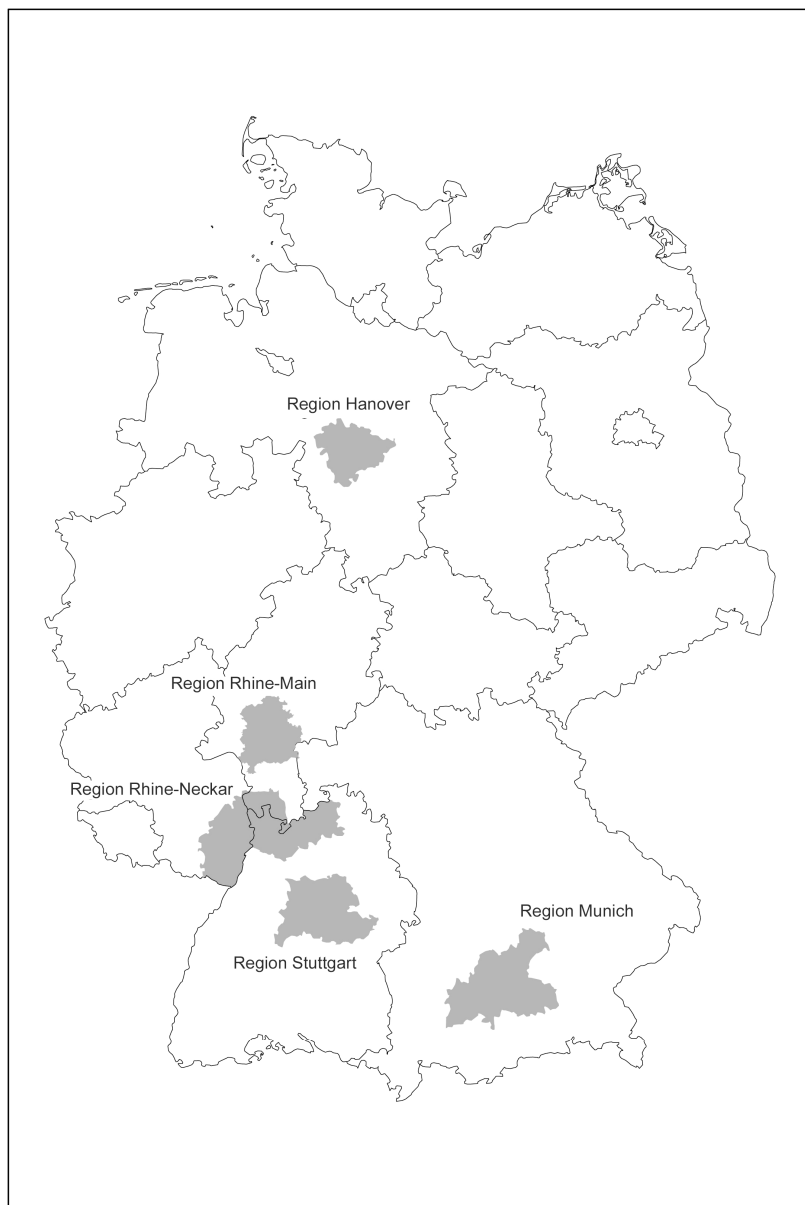
Figure 1: The German case studies

Own source
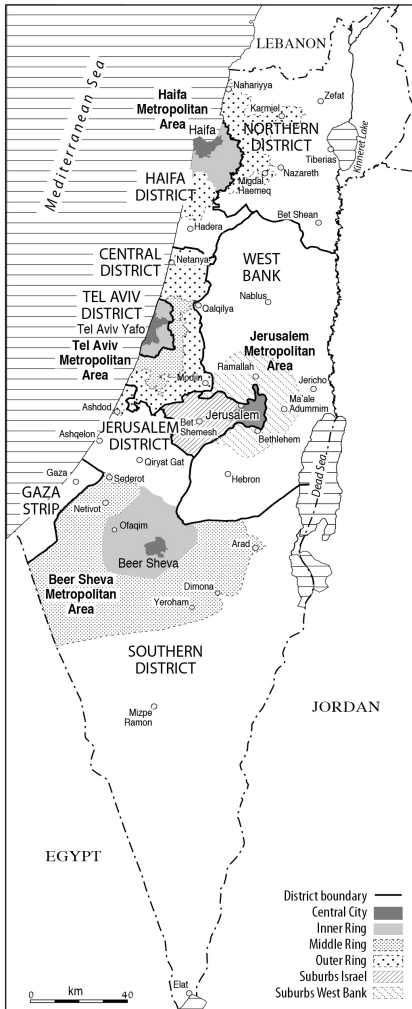
The two Israeli case studies represent an economically powerful core metropolitan area (Tel Aviv) that is far more prominent than Frankfurt/Rhine-Main on the national scale, and a secondary one (Haifa) that extends to much of Israel's northern periphery.[6]

The Tel Aviv metropolis is the core region in a clear core-periphery structure characterizing Israel's space economy. Haifa and Jerusalem are two much weaker secondary nodes in that core-periphery structure, and Beer Sheva is an even more peripheral node, being the central city in the economically weak southern periphery.

Figure 2: Metropolitan areas and districts of the Ministry of Interior in Israel (early 2000s)

Note: Tel Aviv, Haifa and Beer Sheva metropolitan areas are defined according to the Central Bureau of Statistics definitions. Jerusalem has been delineated according to the authors' definition.

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6 Metropolitan areas are defined by Israel's Central Bureau of Statistics (CBS) as including adjacent settlements that form a single functional entity in terms of economic, social and cultural linkages. Definitions are not necessarily a product of formal analysis of a specific set of criteria, although based on data on commuting patterns, volume of traffic and migration. Usual definitions refer to four metropolitan areas (Figure 2): Tel Aviv (with a 2008 population of over 3.2 million inhabitants), Haifa (with over one million inhabitants), Jerusalem (with over one million inhabitants, not including the Palestinian Authority, but including West Bank Jewish settlements) and Beer Sheva (with around half a million inhabitants). Only three of these metropolitan areas are demarcated by the CBS. The CBS does not have a formal definition for the Jerusalem metropolitan area, because of the geopolitical sensitivity of such a definition.

In fact, given Israel's small size, high density and rapid population growth, its expanding metropolitan areas are increasingly viewed as a continuous metropolitan space encompassing most of the country and perhaps forming a two-tier metropolitan system, with the Tel Aviv metropolitan area exerting its dominance over much of the country, including the secondary metropolitan areas of Jerusalem, Haifa, and Beer Sheva.

Both Israeli cases exhibit similar legal and political contexts for inter-municipal cooperation and metropolitan governance in the unitary Israeli state, but also demonstrate the major impact of the core-periphery distinction on metropolitan governance in the Israeli context.

1.1.4 Methods and structure of the book

The case studies of metropolitan governance in Germany and Israel will be presented in the form of a narrative. The narrative style is not only a pleasant way of presenting a case study that is rich in material but is also a distinctive methodological approach (Czarniawska 1997). The narrative case study description is the best way to expose the advantages of the applied method of causal process tracing (Gerring 2007). Process tracing in case studies is also more suitable to identify and explain differences.

The narratives are based on the results of a review of past studies, an analysis of policy documents, consultation reports, relevant data, news paper articles[7] and especially semi-structured interviews. Interviews were carried out (by using a similar topic guide for all case studies) with political representatives (in the main mayors) and senior members of staff of local government, senior employees of planning associations and other metro-politan organizations, civil servants from relevant upper-level governments and representatives of societal actors (such as enterprises, business organizations and local non-profit organizations) engaged in metropolitan affairs.[8]

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7 The policy documents, consultation reports and newspaper articles cited are not spe-cified in the list of references; they are mentioned in the text and are referred to directly.

8 Where we refer directly to statements from these interviews the interviewee is usually referred to just by a number (for example interview 1) because some of them did not want to be mentioned by name or function. To ensure the verifiability of these state-ments all the interviews are kept locked away.

In the following part of the introductory chapter we will start (in Section 1.2) with an overview of the academic debate on metropolitan governance. This is done with the aim to extend our attempt (in Section 1.1.1) to put the current discussion about metropolitan governance into context. Reflections on the different approaches to be found in the academic debate are useful because the main arguments can be identified in past and ongoing political discussions on how to govern metropolitan regions. Although these arguments are usually articulated in political discussions without referring explicitly to the relevant academic approaches, it becomes obvious that the academic debate has framed political discussion and offered elements from particular narratives which developed over time and became hegemonic in specific cases and at certain points in time. The introductory chapter ends with a section (1.3) in which one of the research questions asked above is addressed in more detail—namely, how differences in metropolitan governance arrangements within a country can be explained. By referring to the academic debate, possible answers (hypotheses) are outlined. These possible answers are taken up in Section 4.2 of the final chapter in which the German cases are compared to explain how different metropolitan governance arrangements have come about.

In Chapter 2 differences in the local government systems in Germany and Israel are described to provide a deeper insight into the institutional context in which metropolitan governance arrangements in both countries have been developed. This refers to constraints and opportunities that flow from the competencies and tasks of different levels of government as well as to the power relations between different actors at the local level. In this chapter the responsibilities for spatial planning in both countries are also described because planning decisions (especially those on land use) and how they are taken and by whom are a core issue of metropolitan governance.

Chapter 3 includes the case studies of the five German and two Israeli metropolitan regions. As mentioned above, they are structured in a narrative style. The narrative case study descriptions are based broadly on a chronological process tracing to identify the reasons why at certain points in time options to achieve particular governance arrangements were blocked or created.

Chapter 4 is dedicated to answer the four research questions listed above. It starts with comparative reflections on metropolitan governance in Germany and Israel to address the question whether or not differences

described in Chapter 3 are or are not based on national specificities in the institutional setting. This is followed (in Section 4.2) by tackling the question of how differences within a country can be explained. Finally (in Sections 4.3 and 4.4), the effectiveness and democratic quality of the German and Israeli case studies are assessed to answer the third and fourth research questions.

1.2 Metropolitan governance: the academic debate
(Marta Lackowska)

1.2.1 Metropolitan governance: the nature of the problem

Before one starts to think of possible metropolitan-governance arrangements and of the impact they have on actor constellations, on the prosperity of a region and on local democracy, the nature of the problem has to be explained. The variety of metropolitan-governance arrangements is the answer to the increasing difficulties caused by urbanization and urban sprawl and—recently also—by globalization. The spatial-organizational forms have lagged behind the dynamic changes triggered by urban sprawl causing mismatch between the formal and real structures (Savitch and Vogel 2000, 160; Kübler and Schwab 2007). The basis of the metropolitan discourse lies precisely in the mismatch between the political-administrative units (institutional territory; Lefèvre 1998) and real phenomena happening in urban space (functional territory; ibid.). The mismatch may result in either over-bounded (too small) or under-bounded (too large) catchment areas (Bennet 1997). In both cases the real area of a service does not correspond to the jurisdiction responsible for it. The problem is connected to the increasing fragmentation of the functionally bounded urban space. Its negative consequences underpin the crucial element of the so called 'metropolitan problem' (Stephens and Wikstrom 2000). A number of jurisdictions operating in a metropolitan area (resulting in territorial fragmentation) create a need for coordination of the policies that are the responsibility of the various jurisdictions. This issue has also been aggravated by the New Public Management approach (emphasizing that service delivery should be outsourced), by globalization (increased competition at a global scale and the presence of powerful non-public actors) and—as Borraz and John (2004, 111) put it—by economic change

(leading to intensified pressures on municipalities), which all contribute to institutional fragmentation (Stoker 1989; Orr 2005; Borraz and John 2004), in which, in contrast to territorial fragmentation, private actors as well as jurisdictions are involved.

Over the whole of the 20th century the practice of governing metropolitan affairs lagged behind the real challenges shaped particularly by urban sprawl. Nonetheless, the discussion and the practical trials of various solutions deliver ample material for consideration.

1.2.2 The paradigms of old regionalism: metropolitan reform versus the public choice approach

Although the spatial expansion of the cities and the resulting functional-organizational mismatch have been considered problematic since the beginning of the 20th century, the academic discourse developed fully only in the 1950s and 1960s. Till then, the dominant, unquestioned approach towards the metropolitan problem was reorganization of the administrative division (i.e. annexation), so that it would be more appropriate for the new settlement forms. The debate started when at the end of the 1950s the supporters of public choice theory formulated their views on the optimal metropolitan organizational structure.

The two approaches totally overwhelmed the metropolitan discourse for the next four decades. Despite their peculiarities connected to the metropolitan dimension of the debate, they strongly rely on the classical issue of the optimal size of a jurisdiction. The older, metropolitan reform idea (prevailing among scholars in the 1930s) argued that the fragmentation of the functional urban region was a negative feature and should be overcome by establishing a new metropolitan unit. Consolidation could be achieved by numerous arrangements varying from annexation or amalgamation, to city-county consolidation, to establishing a brand new metropolitan unit (possibly of a federal, two tier structure) and an association of municipalities with special extended competencies and obligatory membership.

Public choice theorists on the other hand support fragmentation of the metropolitan space. They do not question the existence of the metropolitan problem. In their view, fragmentation has a lot of advantages, and all the drawbacks can be overcome by means of voluntary flexible

cooperation of the existing jurisdictions. Interference with the administrative system is very unpopular. But there was more to the difference which emerged in the discourse in the 1960s than the mere inclusion of the public choice argument. It was also the case that the main goal of metropolitan reform changed. It was no longer fostering "growth outwards from a central city into the rural fringes" but focusing on the "internal sociospatial differentiation and re-differentiation of metropolitan regions" (Brenner 2002, 7).

It is worth noticing that the two main arguments considered by the two opposing groups, namely delivering services and local democracy correspond to the main tasks which should be fulfilled by the unit of the appropriate size: system capacity and citizen effectiveness (Dahl and Tufte 1973).

According to the metropolitan reform approach, the fragmentation of the metropolitan area is responsible for the lack of a metropolitan-wide political perspective, conflicts between local authorities and significant shortcomings in service delivery (Stephens and Wikstrom 2000, 39). Metropolitan-wide coordination of politics of the autonomous units is, under such circumstances, impossible, so that the creation of a coherent system to govern a metropolitan area requires specific undertakings—especially the formation of a metropolitan government (ibid.). The fact that this implies limits to the autonomy of existing jurisdictions (or, at least, some substantial shifts of powers) was not seen as negative, as proponents of the metropolitan reform approached believed in common metropolitan interest and solidarity. Moreover, a single jurisdiction can ensure more coherent functioning and development of the whole area. Thanks to metropolitan-wide politics an equal level of service delivery is easier to achieve. Furthermore, redistributive policy can be developed (see e.g. Sager 2004), which in the case of numerous independent units is very difficult. Softer metropolitan arrangements do not posses enough competencies to solve the problems effectively. In addition, it was argued that a metropolitan government would eliminate to a high degree problems of externalities and free-riders. On the democratic dimension, the metropolitan reform tradition borrows from consolidation arguments. It was claimed that bigger units are responsible for more important tasks, so public affairs are of greater interest to the citizens (participation does not become trivial—as Dahl 1971, 97 would say). What is more, a bigger and more diverse community is more vibrant, so that citizen participation can

develop in the various forms of deliberative democracy. This corresponds with the concept of democracy as a process of interactions between various ideas (Dahl 1961) which leads to the conclusion that with a broader spectrum of ideas (groups), discussion becomes more vigorous (and democracy more vibrant).

One further argument in favor of metropolitan jurisdictions is the concept of a metropolitan community (Lefèvre 1998). Assuming that people living in a metropolitan region—crossing the local (municipal) boundaries a few times a day, sometimes without realizing it—build a kind of community in which territorial identity goes far beyond the municipal level, establishing a jurisdiction that would correspond to this area is highly beneficial for the community, its identity and solidarity. Without such an identity local authorities have no legitimacy for a shift of powers and for involving themselves in additional, supramunicipal undertakings etc.

Despite the fact that up to the 1960s the approach had no opponents in conceptual terms, metropolitan reform was implemented only rarely. In the USA, the only example of a metropolitan jurisdiction is Portland (see Stephens and Wikstrom 2000). In Canada and in Europe the examples are again not numerous. Usually the fears of the existing local jurisdictions of losing their powers and independence have been the main inhibitor of reform. Moreover, the attitude of upper-level government has also often been negative as a strong metropolitan actor within their boundaries was considered a threat. The attitude of local communities has been similarly negative because they are seeing in such reforms mainly the excessive multiplication of administrative structures (for the case of Rotterdam see Schaap 2005). Finally, the belief in metropolitan solidarity has been questioned in reality. The particular interests of the jurisdictions prevailed, making metropolitan-governance arrangement very difficult to achieve. Failures in metropolitan reform stimulated a very different approach.

Proponents of public choice theory argue—in line with the Toquevillian heritage—that a municipality is for democracy like a primary school for education. Therefore, the autonomy of the local jurisdiction is a value in itself which should be protected. Fragmentation assures better functioning of local democracy. Citing the arguments of the supporters of small units, municipalists claim that participation is higher, the authorities are closer to the citizens, know their needs and can respond to them better (Bish and Ostrom 1973; Tiebout 1956). They accuse metropolitanists of creating a 'Gargantua' unit, which is abstract and distant from the ordinary citizen.

Moreover, such a big unit is too complex and diverse and therefore difficult to govern (Ostrom et al. 1961). In terms of service delivery public choice theory fosters the competition and market allocation of goods. The free choice that citizens have in choosing where to live, should stimulate local authorities to ensure the best possible quality of service and put limits on local taxes.[9] The question of a metropolitan-wide redistribution or equalization mechanism seems for the municipalists to be beyond their thinking (they do mention as an advantage that small units are more homogeneous and do not need much by way of redistribution). Municipalists claim that the supramunicipal coordination required can be achieved by single–purpose associations. The advantage of this system lies in its flexibility. It ensures not only the full sovereignty of the partners, but also is more appropriate for the distinct catchment areas of various services. As Dahl and Tufte (1973, 135) argue: "different problems require political units of different size", which means (for municipalists at least) that creating one jurisdiction does not solve the problem of mismatched catchment areas. Complexity requires the presence of several organizational levels (Ostrom et. al 1961). Coordination of supra-municipal tasks can be ensured by informal agreements between municipalities or by establishing a few organizations specifically responsible for those tasks (overlapping jurisdictions; see Stephens and Wikstrom 2000).

Municipalists seem not to take into account that the institutional fragmentation of the area increases by establishing single-purpose associations or agencies. Jones (1942, 99) accused such "special districts" of confusing the citizens and the voters instead of simplifying local government. He claimed that such solutions make it difficult to secure responsible local government in large urban communities.

The public choice approach also suffered from strong criticism, demonstrating the ineffectiveness of the voluntary arrangements. Metropolitanists argued that shifting supra-municipal tasks on to the new organizations not only increases fragmentation, but does not solve all metropolitan problems. This is because some of those problems remain beyond municipal competence. Moreover, voluntary cooperation is difficult to launch (i.e. because of initial costs, different particular interests, and fear of

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9 In fact this assumption by Tiebout (1956) of the full mobility and information possessed by the citizens was too simplistic. Nonetheless, as King (1984) argues, undermining of these ideas does not change the fact that local taxes are one of the factors influencing migration decisions—at least of enterprises.

losing powers). Even so, it is burdened with lots of constraints, such as the lowest common denominator. The autonomy of partners implies a lack of possible sanctions which makes any arrangement unstable (exit-option, Fürst 1994; Savitch and Vogel 2000, 164).

metropolitan reform approach	public choice approach
basic assumptions	
fragmentation of the metropolitan space is a problem—adjustment of the administrative division of the area is needed (e.g. by the establishment of a metropolitan jurisdiction)	fragmentation is not a problem—difficulties deriving from the mismatched catchment areas can be overcome by the means of voluntary ad hoc cooperation by the existing jurisdictions (i.e. outsourcing, arranging "special districts" etc.)
arguments	
− higher effectiveness and efficiency of a bigger unit (economy of scale) − ensuring an equal level of services in the whole metropolitan area (redistributive policies) − strategic planning for the whole metropolitan area possible − metropolitan unit comprises the real catchment areas − externalities and free-rider effects can be minimized − common administrative-political unit fosters the building of the common metropolitan interest (both by the elites and the citizens) − metropolitan leadership more likely to occur − stimulation of the metropolitan identity development by the existence of a jurisdiction corresponding to the daily experiences of citizens in a metropolitan area − higher citizens' participation (more interest in the jurisdiction of broader competencies), social diversity helps to develop a vibrant deliberative democracy and tolerant, innovative community	− economy of scale achieved by outsourcing the supramunicipal tasks. − in smaller, more homogeneous units local politics are more easily adjusted to the needs of the citizens − catchment areas' mismatch can be overcome by establishing separate organizations for services in various catchment areas. − fiscal equalization scheme can be set to minimize the problem of externalities and free-riders. − relying on municipal cooperation − protection and fostering the independence of the local jurisdictions (as 'small fatherlands') − local authorities are closer to the citizens; participation is higher (the jurisdiction is not abstract to the citizens; one's vote counts) − local jurisdictions are valued; they are crucial for the formation of civil society and local democracy − in smaller communities the community control is higher, trust stronger and anomie far less common

Table 1: Summary of the traditional debate on metropolitan governance

Own composition

Overall, the polemic of the two traditional approaches brought about no optimal solution for the metropolitan areas. The 1990s have seen a substantial change both in metropolitan reality and research. In fact, the argument put forward by Dahl and Tufte referred to earlier goes beyond the mere fragmentation approach.

"Rather than conceiving of democracy as located in a particular kind of inclusive, sovereign unit, we must learn to conceive of democracy spreading through a set of interrelated political systems, sometimes though not always arranged like Chinese boxes, the smaller nestling in the larger" (Dahl and Tufte 1973, 135).

The statement poses an important point of departure for thinking about metropolitan democracy. One can argue that, up to a certain degree, this is fostered by metropolitan reform theory, at least in a multi-tier metropolitan model. Nonetheless the idea has found the full appreciation only under the new regionalism and the re-scaling concept (Swyngedouw 1998; Blatter 2006).

1.2.3 New regionalism: a current debate

A distinct approach towards the organization of the metropolitan space emerged in the 1990s and led to the formation of a novel idea—the new regionalism. This idea is linked to changes in local government caused by globalization and internationalization of local politics (John 2001). Jurisdictions had to face a new economically driven reality which implied an extension of their responsibilities. Economic development was already part of the thinking of local authorities, but the real shift in responsibilities—beyond the provision of services (Denters and Rose 2005, 247; Savitch and Vogel 2000)–took place only in the 1990s (Frisken and Norris 2001; Brenner 2002; Goldsmith 2005). Metropolitan areas were under pressure to compete successfully on the international scene. The economic factor was seen by supporters of the new regionalism as a missing stimulus to bring the metropolitan actors to work together. This has been a failure of the old regionalism arguments based on the stimulating power of service delivery and democratic mechanisms (Heinz 2000, Norris 2001b). As a consequence two dimensions of the functioning of metropolitan areas need to be distinguished:

1. At a global level, metropolitan areas have to develop effective outward oriented policies that guarantee success in international competition.
2. At an inner-metropolitan level, functional coherence of the whole area has to be developed as a crucial precondition for addressing the global challenge successfully (see e.g. Heinz 2000).

Whilst the second dimension was a dominant feature of the old regionalism, in the 1990's the argument shifted "from a social welfare justification aimed at the redistribution of resources to an economic justification aimed at regional growth and prosperity" (Swanstrom 1996, 6). Some academics even see the main concern of the old regionalism as maintaining the hegemony of the core city in the regional economy: "Today the challenge is to make the interconnected economies of all communities in the metropolis competitive in the global marketplace" (Wallis 1994a, 41).

The other new feature of the new regionalism approach (apart from the economic orientation) was dynamic re-scaling (Savitch and Vogel 2009) or "recomposition of the political" (Le Galès 1998, 501). The organization of metropolitan space needed to escape the logic of fixed territorial boundaries in order to render it more flexible and open. Again, this has to do with globalization and non-governmental actors, such as big international companies and civil society organizations, entering the policymaking area because government no longer possesses enough resources to govern on their own (John 2001). Scattered resources have to be pulled together, so that a new role for local authorities emerges (Borraz and John 2004; Goldsmith 2005). In such open and flexible networks of horizontal cooperation leadership takes on an important role in stimulating joint actions (Hambleton 2001). Moreover, leadership should in this context rely on the 'power to' quality rather than on a hierarchical 'power over' (Haus and Heinelt 2005, 26–30 with reference to Stone 1989).

New regionalism fosters voluntary cooperation (Frisken and Norris 2001), but favors neither of the two traditional solutions for the organizational structure of the metropolitan areas. This third way is connected to the notion of governance (Rhodes 1997; John 2001). Informal but stable networks of governmental and non-governmental actors may not necessarily be accompanied by a government-like arrangement. What is crucial is its horizontal character, presented in contrast to the traditional hierarchical character of governmental interventions to coordinate societal interactions. Informal networks "cut across the or-

ganizational boundaries" (Leach and Percy-Smith 2001, 1). It is often stated that the formal arrangements are usually more specifically task-oriented (single purpose associations), whereas the loose governance forms deal with more general topics (cross-cutting metropolitan-wide policies; see Norris 2001a; Heinz 2000).

The new approach has not been unanimously accepted. One of the criticisms concerns the democratic mechanisms, which become more complex than in the traditional paradigm. The influence of the non-governmental actors on public affairs may lead to a democratic deficit (as summarized by Kübler and Heinelt 2005b, 14–15). Opponents of the governance concept claim it weakens traditional representative democracy and the mechanisms of collective self—determination (Blakeley 2005). Moreover, the ability to discuss and reach agreement in a big diverse group is questioned. With reference to Axelrod and Cohen (1999) it can be claimed that hierarchy is better—it ensures the quickest decision—making and implementation process and is therefore more efficient. On the other hand, it is argued (as summarized by Kübler and Heinelt 2005b, 14–15) that participation in decision-making processes builds a sense of responsibility for the whole undertaking, creates a sense of belonging to the group and results in a higher satisfaction with the decisions taken. It is the case that non-hierarchical governing networks require specific conditions to develop and function well. The will to cooperate, to reach consensus, to discuss problematic issues (not only win-win ones), fostered by leadership and a tradition of cooperation are crucial (Kübler and Heinelt 2005b, 14–15). However, the constraints of voluntary cooperation for the sake of common interests often hamper successful governance, in spite of external incentives. The view is put forward that economic incentives have failed to mobilize actors and to foster their metropolitan solidarity. Norris (2001b) even claims that the constraints hampering metropolitan-wide under-takings have remained the same and cannot be overcome merely by the argument for stronger economic development.

Despite not having found the perfect remedy for the metropolitan problem the new approach has contributed to the liveliness of the metropolitan debate (e.g. Brenner 2002). The two traditional schools have also made their contributions, contradicting their views with the new globalized reality and the broader tasks of the local governance.

Lowery (1999) proposed the reformulation of the metropolitan reform concept under the label of neoprogressive theory. Sager (2004), following