

Interlocal Cooperation in Metropolitan Areas

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Cooperation between neighbouring cities and municipalities – especially in urban agglomerations – is a recurring issue in the debate on local government. This is true for Germany, but this applies to nation states like France, the Netherlands, the United Kingdom, Canada or the U.S.A. too. In some states the first legislation on the establishment of joint interlocal special-purpose bodies goes back towards the end of the 19th century. And in many countries a wide range of cooperative approaches and various forms of administrative reorganization like annexation and amalgamation were realized between the 50s and the 70s.

The continuous necessity of inter-local cooperation, becoming obvious through these activities, is above all an expression of the contradiction between traditional and mostly small-scale local authority structures on the one hand and the dynamics of social and economic challenges and developments, going far beyond these borders on the other hand.

1. Decisive necessities for cooperation

The need felt at present for greater cooperation at the local government level is caused by a number of mostly persistent factors, known from previous reform-discussions. Among them are:

- Fragmented local political and administrative structures resulting from lacking or tardy territorial reorganization (France with its 36 500 local authorities is an example for the first, Britain in the Thatcher-era for the second – with the abolition of county- and district councils);
- The sustained, but mostly quite uncoordinated enlargement of the build environment in the surroundings of core-cities, and an ever closer functional interdependence between metropolitan entities (core-cities, old and new outlying communities etc.), which is accompanied by significant changes with regard to the intraregional distribution of uses;

- Growing discrepancies between existing political-administrative structures on the local level and present tasks and challenges going far beyond these structures, as well as
- A growing financial divide between core-cities, suburbs and surrounding areas that threatens the overall development of urban regions, and which results from an uneven distribution of burdens, costs and revenues.

Along with these reasons for the necessity to cooperate, known from previous reform-debates, there are a few new ones, like:

- The regionalization of financial support at both the supranational (EU), national, and state levels, which presupposes regional alliances, and
- The increasing importance of the regional level in the growing and intensifying international competition between cities. This competition, this is stressed even from the side of the United States of America, has gained a lot in importance in recent years. The often confusing co-existence of different actors with differing competencies and responsibilities proves to be a serious disadvantage in this context.

2. Difficulties with regard to the implementation of adequate strategies for cooperation

As you all know, these requirements and developments have been met with numerous forms of cooperation in different city-regions of different nation-states. But despite this spectrum many of these approaches – especially in those cases where a variety of problems and challenges was to be dealt with, and a greater number of actors was included – have been far from being an optimal solution for existing problems. Quite often they were second best or third best solutions because of their character of compromise, and therefore it is not surprising at all that quite often innovative considerations of recent times are nothing else than a resumption of approaches which could not be realized in previous times.

But why is it like that? Why, in many instances, is it so difficult to translate the necessity for cooperation into adequate strategies? Is it justified by shortcomings with regard to the proceedings? Is it based upon the manner reforms are designed and implemented? From my point of view, in the majority of cases the reasons for this mismatch have to be looked for elsewhere.

According to the results of several studies – with national as well as international ties – the discrepancy between the necessity for multisectoral approaches of cooperation in city regions and the quite seldom realization of such approaches is based upon structural grounds. These are:

- The existing structures of the national administration. In central states like France or Great Britain for instance the realization of interlocal cooperation seems to be easier to effect than in nation states like Germany or the U.S.A which are federally organized,
- The political-administrative structures on the local level. In a region like Hanover for instance in which there is only one county enclosing the core city, regionwide reforms seem to be easier to get implemented than under conditions (like in the regions of Stuttgart and Rhine-Main) where the core-cities are surrounded by five and more different counties, and – and this seems to be the most decisive factor of influence –
- The actors and decision-makers who are relevant for the implementation of cooperative approaches and who – because of their different and often conflicting interests – can promote or prevent the realization of these approaches. Interlocal cooperation therefore to a high degree is a reflection of the existing constellations of actors and their specific interests.

3. Actors relevant for the implementation of cooperative approaches

The question “who are these actors” is not difficult to answer. On the one hand they comprise local administration bodies as well as local institutions and organizations. The spectrum goes from cities, local authorities and counties in Germany to municipalities, special districts or public authorities in the U.S.A. On the other hand there are supralocal actors from nation state or lower state levels. In centralized states these are central governments and their so-called prolonged arms on regional and local levels: regions and departments in France, provinces in the Netherlands as well as a variety of agencies and institutions in the United Kingdom. In states with a federal organization actors comprise state governments (U.S.A.), the Länder (Germany), and provinces (Canada) and the respective state intermediaries (like counties in the U.S.A. or “Regierungsbezirke” (“Land” administrative authorities) in Germany. According to the modernization of the structures of local administrations in recent years, representatives of the private sector are playing an increasing role, too.

Which position state or local, public or private actors are taking in a concrete case, whether they are arguing for or against the establishment of an interlocal cooperative approach, is dependent on a number of factors. Among these are the actors’ function in the concrete political and administrative system, their specific interests, time-specific constellations (like local economic clout or the degree of structural interdependencies) and last but not least the approaches under discussion and their potential consequences. In short: the more comprehensive cooperative approaches are conceived, the more differences become obvious with regard to the positions of different actors.

Despite all these variables and the processes of change they are subject to, the existing experiences of a number of nation states show a number of recurring mutualities. With some simplification one can spot the same groups of actors among both initiators and proponents, and opponents and critics of comprehensive cooperative approaches.

3.1 Initiators and proponents

On the side of initiators and proponents we find especially those actors, who expect specific benefits from the new approaches. There are four groups:

- Central government or – in federal states – federal government. These actors are either interested in optimizing and modernizing administrative structures in metropolitan areas or expect cooperative approaches to permit greater control over the local level. The Netherlands and the attempts of the Ministry of the Interior are an example of the first; the United Kingdom in the Tory-era for the second. More recent instances from Canada and the United Kingdom show that central or federal government can also regard cooperative approaches as moves towards decentralization and devolving the burden of government.

The German states, called *Länder*, take up a rather ambivalent position. They promote and assist cooperative approaches only, as long as they do not become too strong and do not turn into a potential competitor of state governments (some examples are the current developments in states like Northrhine-Westfalia, Hessen or Baden-Württemberg). In the United States of America also states – precisely: representatives of state parliaments – can be found on the side of proponents.

- Core-cities and their political representatives. In periods of economic prosperity, they are mainly opposed to cooperative approaches; however, the loss of jobs and economic capacity, of population, and revenues, together with the high cost of providing core city services have often brought about a change of mind. So in several of the cooperation approaches, well-known in the international debate, core-cities and their political representatives have played a crucial role; examples go from Montreal and Toronto in Canada to the U.S. city-regions of Portland and Minneapolis/St. Paul as well as from the strategic considerations for Amsterdam and Rotterdam in the Netherlands to the German approaches in the Stuttgart and Hanover areas.
- Industry and commerce and their actors. From an economic point of view fragmented decision-making structures and competences are counterproductive because of complicated regulative conditions. They render investments and projects more difficult, and according to critical observers they contribute to spoil the influence of relevant economic actors on public policies within city-regions.

Industry and commerce and their associations are therefore strongly advocating a simplification of political and administrative structures. In many instances their organization is already regionally based.

An example for a contrasting position of economic actors can be found in the French region of Lyon. Here the biggest enterprises voted against an intraregional cooperation and a joint business tax and for the retention of the existing competition for taxes between individual local authorities. Out of the intended reform they expected a worsening of their options with regard to site-decisions.

- Professionally involved actors and media with specific objectives and interests. These range from transparent and more effective administrative structures to new employment opportunities (in case of freelance planners and consultants) or new sales and advertising markets (in the case of local media).

3.2 Opponents and critics

On the side of opponents and critics of comprehensive cooperative approaches – once more with some simplifications – again four groups can be distinguished. These are the ones who are afraid of specific disadvantages and losses resulting out of the establishment of these approaches.

- Middle-tier state government and existing associations of local authorities. They are usually among the strongest opponents of cooperative approaches, because, especially when the establishment of new territorial authorities is involved, they fear a drastic loss of competences and power. In France these critics include departments, the association of districts and local authorities, and in Germany we find counties and county councils as well as “Land” administrative authorities (Regierungsbezirke).
- Suburban governments and outlying local authorities. Their resistance is the strongest, when annexations or amalgamations of local authorities are under discussion. France and Eastern Germany are good examples for that. These entities together with their key officials and representatives also fear losing power, influence, and functions, not to mention financial losses. Despite the fact that many of them experienced significant gains in terms of business and revenue in recent years, surrounding towns and communities are mostly not willing, to share the high costs of services provided by core-cities – which on the other hand suffer from drops in revenue.
- Urban residents and population groups. For the most part, urban residents identify themselves with the local authorities or districts they live in. Their sense of belonging to a city-region and their interest in area-wide political-administrative structures are mostly quite low. During the referenda concerning the

establishment of agglomeration-wide cities or city provinces in Toronto or the Dutch cities of Amsterdam and Rotterdam urban residents did not vote so much against the introduction of a new supralocal level; they rather opposed the amalgamation of their cities resulting out of that reform, because they feared a loss of democratic control, a greater distance to administrative institutions, and also a loss of local identity.

In U.S.-cities intraregional cooperation approaches are especially opposed from two groups of the population: on the one hand these are high-income residents from the suburbs, which are afraid of a looting of their budgets, a loss of administrative efficiency and a share of the responsibility with regard to the problems of core-cities; on the other hand opponents can be found among afro-american residents. Because of the spatial segregation of ethnic groups, in many local authorities these residents hold the political majority. But this position may be endangered because of the joining of local units.

- The experts. These do not display general opposition to interlocal cooperative approaches so much as ideologically motivated criticism of certain forms of cooperation. For example, advocates of the public choice approach reject strong comprehensive cooperative approaches as cumbersome and no longer up-to-date and vote for informal networks of interlocal agreements. On the other side proponents of strong and regionwide approaches accuse the proposals of public choice supporters as democratically deficient, and too narrow in scope as well as for contributing to a further fragmentation of the local level.

4. Predominant approaches of cooperation

In view of these different and quite often conflicting interests, becoming obvious in the course of reform oriented debates, the present situation is not surprising at all. Both in North American as well as in Western European states those approaches are to the fore which involve as few disadvantages as possible for their participants. On the one hand these are non-public institutionalized forms of cooperation, ranging from informal cooperative approaches like networks and forums to privately organized ones like limited companies or public private partnerships. And on the other hand these approaches comprise the single function or single project institutionalized cooperation between usually only a few local authorities (from special-purpose organizational units in Germany to “interlocal agreements” in the United States or “syndicates intercommunaux à vocation unique” in France).

Both these approaches, informal and single-purpose formal ones – this is stressed by their advocates – are relatively easy to set up and to design for a particular situation. With regard to informal approaches it is moreover emphasized that they dispose of an atmosphere of consensus when dealing with win-win situations. A theoretical assistance for these approaches is provided by the actual debate on neoliberal

reforms and the concepts of new public management and public choice. The disadvantages of these informal and formal approaches, however, are quite often left aside: besides a restriction to largely uncontroversial, so-called “soft” activities and problems, which do not touch critical issues like the distribution of finances and costs or the responsibilities of established institutions and organizations, these disadvantages include a decline in democratic control (through the transfer of public functions to non-legitimized cooperative bodies) as well as a further fragmentation of political-administrative structures in metropolitan areas and conurbations. Quite often these structures are characterized already by a more and more bewildering tangle of municipalities, governmental and regional organizations and institutions, as well as public, private, or informal cooperative approaches with differing actors, functions, and jurisdictions. To describe this situation, the term “urban governance” was coined as long ago as the seventies by the American urbanist Victor Jones. Jones defined urban governance as a new and specific form of political and administrative activity in urban agglomerations, whose viability however he considered to depend on one important precondition: the existence of a region-wide institution to coordinate the “numerous special-purpose bodies in the region”.

Although this need for coordination in urban agglomerations is meanwhile widely recognized and repeatedly advocated, areawide approaches orientated towards coordination and not only towards cooperation are comparatively rare in the majority of countries under study. These approaches are only sporadic and restricted to a few economically significant metropolitan areas facing strong international competition. Important examples are the reform approaches in Stuttgart and Hanover in Germany, the merging of Toronto and Montreal with their neighbouring communities, the city-county-consolidation of Indianapolis, Nashville and Jacksonville and their surrounding counties in the U.S.A., the planned metropolitan provinces of Rotterdam and Amsterdam in the Netherlands or the reconstruction of the Greater London Authority in Britain. Only in France there is a wider distribution of comprehensive and regionwide forms of cooperation: with the establishment of “Communautés Urbaines” and “Communautés d’Agglomération” in a number of French metropolitan areas.

5. Forms of areawide cooperation and their prerequisites

The main reason for the small number of area-wide approaches oriented towards coordination is – as I have already mentioned – that these approaches hit upon established political-administrative structures and on actors, who are interested in the preservation of these structures. So the questions are: which specific prerequisites were given in those few cases, in which cooperative approaches were implemented or – this was the case in the Netherlands – were short before to be implemented? Which were the prevailing political-administrative structures? Which was the composition of relevant actors? According to critical observers especially the following factors played a high role in the realization of areawide approaches:

- Small number of actors (and of different interests) on the local level. This was the case in the region of Hanover, in which the core city was surrounded by only one county; and this was true for the three realized city-county- consolidations or the urban-county-approach (realized in Florida) in the U.S.A.,
- Spatial identity of former cooperative approaches and new forms of cooperation. Hanover is an example here, too. The former metropolitan association of Hanover, the surrounding county of the core city and the new cooperative approach show the same borders. This spatial identity – and you will know that much better than I do – was given too, in the metropolitan areas of Toronto and Montreal, in which the former Communautés Urbaines and the new “Big Cities” share the same territory,
- Support or pressure from the side of central government. Examples may be found in the Netherlands, where the Ministry of the Interior played an important role in the intended realization of city- provinces, and in the reconstruction of the Greater London Authority in the U.K. or in France, where the nation state played a significant role, too, since it was the state’s legislation which rendered the realization of Communautés Urbaines possible,
- Support or pressure from the side of states or provinces. This was the case, when individual U.S. American states passed the enabling legislation for the implementation of city-county- consolidations, and this was the case, too in Canada, when the government of the province of Ontario implemented the “Big City” of Toronto (despite the contradictory results of a referendum held before),
- Support from the side of core-city mayors. Examples for this are again the four city-provinces in the Netherlands (though their implementation failed), the region of Hanover and some of the Communautés Urbaines in France.

All these factors have played an important role with regard to the implementation of innovative approaches for cooperation. But their existence alone is not sufficient. The Dutch city-provinces are an example for that. This approach was supported by central government and by the heads of the cities concerned, but it failed because of the resistance of urban residents in the course of two referenda in 1995. A counter-example is the establishment of “Greater Toronto”. The government of the province was in favour of this approach; there was a referendum – like in the Netherlands – and the majority of the residents rejected the amalgamation. But unlike the Netherlands the government of the province dismissed the outcome of the referendum and implemented the reform approach.

6. Concluding remarks

The lessons which can be learned from these experiences and developments are quite simple:

- Promising recipes or procedures with regard to the implementation of areawide approaches for cooperation do not exist,
- Whether an approach may be implemented or not is always dependent on the specific conditions of a given case and – one has to add – within a specific period of time,
- With the retention of fragmented political-administrative structures on the local level (with different actors and different interests) the implementation of areawide cooperative approaches will stay an exception, which is based on the specific conditions of an individual example. In the majority of cases small-scale, win-win oriented approaches or compromises will be to the fore. And the result of these compromises will be – as in previous times – a damage and a reduction to the efficiency of the newly established approaches.

But in view of the present necessities, urging for a better cooperation on a regionwide base – from ever closer functional dependencies to an increasing international competition between different locations – the question arises, whether it is enough to conform to existing structures and to continue the search for suboptimal compromise solutions? Or is it not necessary, and this is an issue of growing importance in a number of German city-regions, to give one's support for a fundamental reform and restructuring of administrative and financial structures on local and regional levels: e.g. with strong urban counties and an areawide equalization of business taxes. Only a reform like that would allow for cooperative approaches, which are durable and capable of action, and which are furnished adequately to deal with existing and future problems in metropolitan areas.

Whether this fundamental reform will be possible is an open question. In view of the discussion of the seventies and the fact, that the majority of the far-reaching demands of these times has not been realized up to now, I think, that we should not place our hopes too high, that this question will be answered in a positive way in the near future.