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Occasional Paper

Werner Heinz

**City & Region – Cooperation or Coordination
An International Comparison**

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Subject of the Study

Cooperation between neighbouring cities and municipalities - especially in urban agglomerations - is a recurring concern in the debate on local government. It was the focus of attention in the late 60s and early 70s in the context of the territorial reorganization of local government, and has again become important since the early 90s. Metropolitan areas and urban agglomerations - according to the Federal Government's 1995 Guideline for Federal Regional Development Policy - are considered to be „regional engines of economic growth for the spatial development of the national territory as a whole“; better cooperation between local governments in the regional context is thus required. Although the context is far from clearly defined, this demand has been increasingly articulated in recent times by other actors, from local government umbrella organizations, trade and professional associations, politicians and administrators from certain core cities, and also by academe, particularly administrative lawyers, political scientists, and planning experts. It arises from the frequent incongruities between the increasing functional interdependence of core cities and surrounding areas, disjoined political and administrative structures within metropolitan areas, and growing maldistribution of burdens, costs, and revenues among the local authorities they encompass.

There is a marked discrepancy between demands and the cooperative approaches implemented in urban regions. Far-reaching proposals for reform are seldom put into practice. They usually fall victim to a number of frequently recurring restrictions, including tax issues, political and administrative structures, practical opposition from local government officials and representatives afraid of forfeiting power and authority, and, not least of all, the current financial problems facing many municipalities: well-to-do communities often prefer splendid isolation to cooperation.

In this situation it seemed useful to look beyond national boundaries to see what approaches other Western countries have adopted and how they are reacting to the changes and challenges confronting cities and metropolitan areas. Considering the experience of other countries is important because European Union policies and development programmes envisage increasing

approximation of national conditions, and the determinants of urban development, the problems involved, and the strategies adopted to solve them, driven largely by economic factors and accelerated by the deployment of state-of-the-art technologies, are increasingly similar in the industrial countries of Europe and North America. An examination of cooperative approaches in the urbanised areas of these countries could therefore be expected to answer questions particularly relevant for cooperation between local governments in German urban regions. The questions to be examined included the following:

- the general background to the origin of intraregional cooperative approaches (from the political and administrative setting to the proponents and opponents of cooperation);
- the key elements and attributes of cooperative approaches (from actors and areas of activity to organisational forms and modes of financing);
- the potential risks of the various forms of cooperation (from increasing fragmentation of local government activities to the loss of democratic control and legitimation).

Procedure

The countries to be included in the project were selected essentially on the basis of socio-economic conditions and problems (important dimensions were to be comparable with those of German cities and regions), the existence of different cooperative approaches in metropolitan areas and conurbations and sufficient experience in the development of such approaches.

Five countries were finally chosen: France, Netherlands, Britain, Canada, and the United States. Three further countries, Italy, Sweden, and Switzerland, were to have been included, but for a number of reasons this was not feasible.

University experts located in the participating countries were entrusted with the presentation and analysis of their countries' experience with intraregional cooperation. Their contributions were based on and guided by a comprehensive, structured set of questions that took into account the issues of interest from a German perspective. A sketch of the German situation provided a comparative backdrop to enhance understanding of German problems and developments.

Central Findings of the Study

1. Inter-authority cooperation in urban regions is not new in any of the countries under study. The first legislation to establish inter-authority special-purpose associations goes back to the late 19th century, and in many countries a wide range of cooperative approaches and various forms of administrative reorganisation like annexation and amalgamation were realised between the 50s and the 70s.

What is new, however, as all reports agree, are the changes that have occurred since the 80s in the potential collaborators. In most of the countries under study, local authorities and their political and administrative structures have been undergoing modernisation and reorganisation in keeping with New Public Management principles. As a

rule, the outcome has been increasing fragmentation in local political and administrative structures, making cooperation between local authorities all the more important. The cooperative approaches established to meet this need are usually single purpose, or - a new development - informal. Although there is a growing demand for the regional coordination of activities, practical implementation has rarely been successful.

2. The need felt in all the countries under study since the late 80s and early 90s for greater cooperation at the local government level has been caused by a number of persistent, often time-specific causes: The need felt in all the countries under study since the late 80s and early 90s for greater cooperation at the local government level has been caused by a number of persistent, often time-specific causes:
 - Fragmented local political and administrative structures resulting from lacking or tardy territorial reorganisation (France is an example for the first, Britain for the second).
 - Sustained enlargement of the built environment driven by the dynamics of social and economic growth and accompanied by ever closer functional interdependence between metropolitan entities (core cities, old and new outlying communities and „inter-urban“ settlement structures). The traditional boundaries of small and ultra-small communities are diametrically opposed to this development.
 - Changing, cross-boundary functions and problems (from the planning and control of the built environment to regional economic development and areawide environmental protection issues).
 - A growing financial divide between core cities, suburbs and surrounding areas that threatens the overall development of urban regions, and which results from disequilibrium in the distribution of burdens, costs and revenues.
 - The regionalisation of financial support at both the supranational (EU), national, and state levels, which presupposes regional alliances.
 - The increasing importance of the regional level in the growing and increasingly international competition between cities. The often confusing co-existence of different actors with differing competencies and responsibilities proves to be a serious disadvantage.
 - Finally, deficits and inadequacies in existing cooperative approaches. They include inadequate functional performance, obsolete boundaries, and lacking or only indirect democratic legitimation for their authority and activities.
3. Two key variables stand between the need for cooperation and the necessary consequences: first, existing political and administrative structures, and, second, a number of mainly public actors with varying, sometimes variable positions, interests, and influence. The transformation of specific needs for cooperation into practical forms of cooperation is thus always determined by specific actor and power constellations and by the potential for compromise under the given circumstances: between proponents, who expect benefits from the new

approaches, and opponents, who fear disadvantages.

Despite the differences in the constitutional and administrative systems of the countries under study (due to different forms of centralised or federal organisation), the same groups of actors can, with some simplification, almost always be distinguished among both initiators and proponents and opponents and critics. Initiators and proponents:

- Central government or - in federal states - federal government. These actors are either interested in optimising and modernising administrative structures in metropolitan areas or expect cooperative approaches to permit greater control over the local level. The most recent instances from Canada and the United Kingdom show that central/federal government can also regard cooperative approaches as moves towards decentralisation and devolving the burden of government.
- Core cities and their political representatives. In periods of economic prosperity, they are mainly opposed to cooperative approaches; however, the loss of economic capacity, population, and revenues, together with the high cost of providing core city services have often brought about a change of mind.
- Industry and its actors. They are mostly interested in simplifying political and administrative structures, because, as experience in the United State has shown, fragmented decision-making structures and competencies prove counterproductive.
- Professionally involved actors and media with specific objectives and interests. They range from transparent and more effective administrative structures to new employment opportunities (in the case of freelance planners and consultants) or new sales and advertising markets (in the case of local media).

In simplified terms, four groups can also be distinguished among opponents and critics:

- Middle-tier 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 are involved, they fear a drastic loss of competencies and power.
- Suburban governments and outlying communities, which, with their key officials and representatives also fear losing power, influence, and functions, not to mention financial losses (due to the obligation to share the cost of core-city services).
- Urban residents and population groups. These actors generally oppose comprehensive cooperative approaches - as the referendums in Amsterdam and Rotterdam show - because they fear a loss of democratic control, greater distance to administrative institutions, and also a loss of local identity.
- The experts. They do not display general opposition to inter-authority cooperative approaches so much as ideologically motivated criticism of certain forms of cooperation. For example, advocates of the public choice approach reject cooperative approaches as cumbersome and no longer up-to-date, whereas

proponents accuse the proposals of public choice supporters as democratically deficient, too narrow in scope, and too complex.

4. As the national reports show, intraregional cooperation can take very different forms, depending on specific problems, tasks, and releasing factors; on local political and administrative structures; on the regulatory setting laid down by federal or central government; and, last but not least, on the specific actors and their readiness to cooperate.

Despite the multiple forms these different factors make possible in theory, only a few types of crossborder intraregional cooperative approaches have come to fruition. They differ in the degree of institutionalisation, the scope of activities, and organisational form:

- Non-public institutionalised forms of cooperation, i.e., informal or privately organised cooperative approaches.
- Single function or single project institutionalised cooperation between usually only a few entities (from special-purpose organisational units in Germany to the „syndicats intercommunaux à vocation unique“ in France).
- Multisectoral cooperation between numerous authorities in the form of an association, covering various activities and services, and occurring mostly in urbanised regions.
- Finally, the consolidation of cities and towns to form new units (through annexation or the formation of associations of local authorities).

Moreover, some countries prefer mostly government initiated special forms of cooperation - like the metropolitan planning organisations in the United States or the Canadian services boards, regional coordination bodies. These special forms include British inter-agency collaborations.

Among the oldest and most widespread types of cooperation are annexation and special-purpose cooperative approaches. The latter are comparatively easy to set up in appropriate form, but, as French and British experience clearly shows, they contribute to the further fragmentation of political and administrative structures at the local government level. With the exception of East Germany, annexation is not a real option at present owing to the anticipated political resistance.

In the context of new public management and public choice concepts, informal and public-private cooperative approaches have become much more frequent in recent years. Like single-purpose approaches, they are relatively easy to set up and design for the particular situation. Their disadvantages, besides further local government fragmentation and the consequent complexity for the public, are a decline in democratic control (through the transfer of public functions to non-legitimised cooperative bodies) and restriction to largely uncontroversial activities and problems.

Although the need for multisectoral and areawide cooperation that takes into account the growing need for coordination in urban agglomerations is widely recognised and repeatedly advocated, it is comparatively rare in all the countries under study. France is the sole exception. With a

graded system of association types with varying competencies and resources (from the communautés de communes to the communautés d'agglomération). This type has become more important in Britain since the change of government in 1997.

The form, organisation, and frequency of areawide and multisectoral cooperative approaches depend in large measure on the administrative and political structures of the country concerned. Whereas in centralised countries like France or the Netherlands, government-imposed cooperation types apply throughout the country, situation-specific solutions are always taken in federal countries like Germany or the United States.

5. Intraregional cooperative approaches cover a wide spectrum of functions and activities including regionwide spatial planning, utilities, sewage and refuse disposal, transport, health, education, and the cultural and recreational infrastructure. In principle, all local government functions can be handled in cooperation unless there are legal obstacles to such arrangements.

Despite the multitude of cooperative activities, most of the countries under study displayed a number of common features. Single-purpose units covering only a few communities - the majority of all cooperative approaches - are mostly concerned with utilities, waste disposal, or public transport. In recent years, responsibility for cultural, sporting, and recreational facilities has been increasingly important, too.

In contrast, the spectrum of multisectoral cooperative approaches operating within the metropolitan area is substantially broader, including coordination, consulting, implementation, management, and operation oriented activities. However, when it is a matter of actually putting them into effect, they are mostly restricted to a few functions, predominantly „soft“ activities like planning, coordination, consulting, or public relations, which involve neither controversial issues of burden and cost distribution nor far-reaching encroachment on the jurisdiction of established institutions and organisations. As the experience of German associations of local authorities has shown, „hard“ fields like operational and operation oriented activities often meet with explicit resistance especially from smaller member authorities. However, in such cases, local authority associations have little clout, since they have neither the means to impose sanctions nor resources of their own, and thus nothing to offer in exchange, like money, land or permits. In more recent approaches, like the Greater Toronto Services Board or the Gemeindeverband Region Hannover, the result has been a clear separation of functions, between regionwide coordination and planning and specific local implementation.

6. The financing of intraregional cooperative approaches depends on several factors: on the activities and problems involved, on the form cooperation takes, on the actors concerned, etc. In any case, the given national financial system provides the general setting. Most cooperative approaches rely on several sources of finance; only few are funded from a single source.

Despite national differences and particularities, all the countries under study offer essentially the same potential sources of financing:

- Charges and contributions paid by the users of the services offered.
 - Levies payable by member authorities. In practice, however, this form of financing often provokes allocation conflicts, which grow in intensity and frequency with increasing volume and membership.
 - Grants and allocations from federal or central government. As a rule, such funds complement other sources of revenue. If, as in the case of the American metropolitan planning organisations, they are the main source of income, they can produce heavy substantive dependence and (in the event of shifts in policy) a threat to the existence of the organisation.
 - Independent tax revenues. They provide the highest degree of autonomy for cooperative approaches, but remain the exception. Only in France (communautés urbaines, communautés de villes, etc.) and the United States (special districts) do they play an important role.
7. The territorial scope of cooperative approaches is generally determined by the boundaries of member authorities. For special-purpose entities, such boundaries are usually unproblematic in the particular case. „Tailor-made“ boundaries are among the specific properties of such approaches. But boundaries often become a problem in the regional context whenever - as is usual in most urban agglomerations - several cooperative approaches with specific combinations of actors and differing boundaries co-exist, producing a confusing conglomerate of overlapping territorial jurisdictions.

The territorial definition of regionwide multipurpose approaches is often considered problematic, especially because catchment areas differ for the various functions and activities - whether utilities, sewage and refuse disposal, housing, or cultural and recreation amenities. However, a glance at practical implementation shows that boundaries for regional approaches are determined less by functional criteria than by considerations of political expediency. Historical or party political considerations can play a role, as can conflicts between the core city and outlying communities, or economic disparities and competition between potential cooperation partners.

8. Formally organised cooperative approaches generally have an operational unit (central office) and decision-making institutions, composed of representatives of the cooperation partners. The latter are mostly municipalities, but other administrative levels can be involved - as in some French cooperative approaches - or institutions and organisations installed in the association area by central government - like the British inter-agency collaborations.

In the majority of cases, the representatives of local authorities in the decision-making institutions are delegates. Whether they are city or town councillors or top administrative officers of member authorities, whether they are bound by the instructions of the bodies that have appointed

them or not depends on the statutes of the specific association. As yet, decision-making institutions have been directly elected in only a few multisectoral associations. There are examples especially in Canada and Germany.

This lack of direct democratic control is considered increasingly problematic in most formal cooperative approaches because of the growing number of such approaches and the marked increase in their competencies and influence in public activities and affairs. However, from the point of view of democratic legitimation, another development is much more problematic, namely the increase in informal public-private cooperative approaches, in which the members of decision-making bodies are determined only by functional criteria, and which are subject to no sort of democratic control.

9. In brief, cooperation between metropolitan area local authorities in the late 90s was characterised in most of the countries under study by two trends indicating different attitudes towards the public sector and its functions:
 - First, a marked increase in single-purpose and single-project formal approaches as well as in informal approaches differing in territorial and substantive scope.
 - Second, a mostly only sporadic renaissance in regionwide forms of cooperation relying not only on collaboration but especially on coordination. Such approaches are generally concentrated in economically relevant metropolitan areas exposed to strong international competition.

In most of the countries under study, the first of these two trends is a component and result of the ongoing modernisation of local government institutions in the context of neoliberal reform approaches such as new public management and public choice. The boom in narrow scope and/or informal cooperative approaches can, however, also be attributed to specifically national factors - such as fragmented administrative structures in France and East Germany or party political objectives in the Britain of the 80s and 90s. Despite different causes, however, the result is usually the same in metropolitan areas and conurbations: a more and more bewildering tangle of municipalities, governmental and regional organisations and institutions, and 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 70s by the American urbanist Victor Johnes, who defined urban governance as a new and specific form of political and administrative activity in urban agglomerations, whose viability 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“.

Except in France, the second trend - the increasing importance of regionwide cooperative approaches - is only sporadic and restricted to a few economically significant metropolitan areas. Important examples are the reform approaches in Stuttgart and Hanover, the merging of Toronto with neighbouring communities, the establishment of the Greater

Toronto Services Board, the planned metropolitan provinces for Rotterdam and Amsterdam in the Netherlands, the Greater London Authority in Britain, and the establishment of a special type of local authority association in France for conurbations with a population in excess of 500 000 (communautés d'agglomération). In general, these approaches can be seen as a reaction to the growing opacity of institutional and organisational structures in metropolitan areas, and evidence for the close link between narrow-scope cooperation and overarching forms of coordination. The greater the number of isolated, single-purpose, or informal approaches, the greater will be the need for regional institutions to control and coordinate activities in the context of the metropolitan area.

10. Numerous factors have motivated inter-authority cooperation in metropolitan areas, from policy objectives and economic requirements to administrative structures and spatial-functional changes. Cooperative approaches and the form they take will therefore continue to depend on the development of these factors and on the general setting, notably on:
 - How the public sector sees its role in the future. Will public actors again consider themselves as regulative and coordinative institutions or as participants in the market and mediators in social development processes?
 - The development of local government and the important current projects to reform political and administrative structures.
 - The role that urbanised regions will play in the national and international context.
 - The key regional actors, their development, interests and preferences.
 - Finally, the development of internal political and administrative structures in the various countries.

All these factors are currently under discussion. How they will develop remains to be seen. However, it is already clear that no single approach is appropriate for all regions and situations. Single-purpose functional units, informal networks, multisectoral associations, and conurbation-specific territorial authorities are thus likely to continue to co-exist. However, it is still unclear how important the different types of cooperation will be in detail, whether the repeated call for regional coordination will play a greater part, so that the metropolitan area can, pace Marx, be not only „in itself“ but also „for itself“.