INTERGOVERNMENTAL RELATIONS IN 2020: THEORY AND PRACTICE
Special Friday Symposium of the American Society for Public Administration
April 9, 2010
San Jose Fairmont, San Jose, California

Sponsored by:
The Section on Intergovernmental Administration and Management (SIAM)
Federal Systems Panel at the National Academy of Public Administration (NAPA)

Jack W. Meek
University of La Verne, Co-Chair

Kurt Thurmaier
Northern Illinois University, Co-Chair
### Intergovernmental Relations in 2020: Theory and Practice

**Special Friday Symposium of the ASPA**
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INTERGOVERNMENTAL RELATIONS IN 2020: THEORY AND PRACTICE

Contributing Authors

Robert Agranoff

Robert Agranoff is Professor Emeritus, School of Public and Environmental Affairs, Indiana University-Bloomington. Since 1990 he has also been affiliated with the Institito Universitario Ortega y Gasset in Madrid. He specializes in federalism and intergovernmental relations and public management. Among his publications are Collaborative Public Management (with Michael McGuire), Managing Within Networks: Adding Value to Public Organizations, and most recently, Local Governments and their Intergovernmental Networks in Federalizing Spain. Agranoff has chaired both the Federalism/Intergovernmental Relations section of the American Political Science Association and the Federalism Research Committee of the International Political Science Association.

Jill Boone

Jill Boone is the Climate Change and Sustainability Manager for the County of Santa Clara, a position created in July 2008 to address the many challenges of greenhouse gas emissions and support the Board of Supervisors' interests in providing County leadership. Prior to coming to the County, Jill spent two years as a consultant working with city governments, during which she designed and facilitated the process for developing the City of San Mateo's Climate Action Plans for the city and the community. Previously, at the County of San Mateo, she initiated their RecycleWorks green building, energy and climate programs. Jill began her career as a recycling activist for the Sierra Club and after moving into the professional world of waste management, followed the leading edge of environmental programs and sustainability. Reconnecting with her environmental roots, she has recently helped craft a Zero Waste Vision and Guiding Principles for the County. But mostly, she is working on a nascent Community Energy Program, a new recycling and composting program and climate action plan implementation. She serves on several regional committees, including the Bay Area Climate Change Collaborative and in her personal life, the Bicycle and Pedestrian Advisory Committee for San Jose. She hopes to see the bikeways connected so that she can bike safely to work!

Leon Churchill

Leon Churchill is city manager of Tracy, California. He received a Bachelor of City Planning degree from The University of Virginia, and MPA from the University of Kansas. He has been active in the area of organizational renewal and continuous improvement for over 23 years, and is a contributor to Commonwealth Center for High Performance Organizations. He has also published in Public Management, Kansas Planning, and Small Cities.
Mauricio Covarrubias

Mauricio Covarrubias is Professor of Public Administration at The National Autonomous University of Mexico. He has a Doctorate in Public Administration from the National Autonomous University of Mexico. Has a Postdoctoral degree in Student Affairs, Administration and Best Practices in Government from The University of New Mexico. He has received various honors including National Public Administration Award, Mexico 1998; First Prize at the State Public Administration of Mexico, 2007; and Second prize in The XX Contest of Latin American Center for Development Administration (CLAD) on State Reform and Modernization of Public Administration (2007), on "Meeting the challenges of mainstreaming and intersectorality in public administration". The Special Commission for State Reform of H. House of Representatives of Mexico awarded him with Honorable Mention for his participation in "National Essay Contest: Reforming the State to Strengthen the Nation."He is the author of the two books. One, “Federalism and National Education System Reform”; second, “The problem of Coordination in Contemporary Governance. Towards a Coordinated Federal State”. He is the author of several journal articles and monographs on public management as well as on federalism and intergovernmental relations.

Raymond W. Cox III

Raymond W. Cox III is a Professor and Interim Chair of the Department of Public Administration and Urban Studies at the University of Akron. He received his PhD in Public Administration and Policy from Virginia Tech. During a career that has spanned considerably nearly four decades Dr. Cox has had four stints in the public service, first as a legislative analyst (Speaker’s Office, Massachusetts House of Representatives), as a Program Manager/Director for the National Science Foundation, as the Chief of Staff to a Lieutenant Governor (New Mexico) and as a member of the Akron City Council.

Dr. Cox is the author of over sixty academic and professional publications (including four books) and more than a dozen reports for government agencies. He has served on the editorial boards of three professional journals. In April 2006 his service to the profession was recognized with the prestigious Donald C. Stone Award from the American Society for Public Administration (ASPA). In March 2009 he concluded a term as the Chair of ASPA’s Section on Ethics and in April 2010 will begin a term as Chair of the Section on Intergovernmental Administration. He is also the Chair of the Local Government Management Education Committee of the National Association of Schools of Public Affairs and Administration (NASPAA). Because of this combination of professional and academic experience he was approved for the Fulbright Senior Specialist Program. His first assignment was to develop a performance measurement training program for mid-level managers in the government of Latvia. Later he created a career development training program for that government. In 2007 he was selected as Distinguished Research Chair in Public Policy at McGill University under the Fulbright Program.
Elizabeth G. Hill

Elizabeth Hill commenced a career in state government in 1976, joining California’s Legislative Analyst’s Office (LAO) as a program analyst. Following specializations in various policy areas, she was appointed California Legislative Analyst by the Joint Legislative Budget Committee in 1986. After more than three decades of state service, she retired in 2008. As Legislative Analyst, she served as a nonpartisan fiscal advisor to both houses of the California Legislature and oversaw the preparation of annual fiscal and policy analyses of the State of California’s more than $100 billion budget. In addition, she was responsible for the LAO’s preparation of impartial analyses for all initiatives and constitutional measures qualifying for the ballot in 25 statewide elections. In 1997, she was recognized as a “Public Official of the Year” by Governing Magazine and was a 2005 recipient of the National Public Service Award from ASPA and NAPA.

Chris Hoene

Chris Hoene is the Director of the Center for Research and Innovation at the National League of Cities (NLC). He oversees NLC’s efforts to identify, research, and share innovative local practices and trends on subjects including public finance, economic development, governance, housing, and sustainability. Hoene’s areas of expertise include urban affairs, local and state public finance, federalism, and local government structure. He is co-author of NLC’s annual report on City Fiscal Conditions and other NLC reports. He has published in a variety of journals and professional publications and is a member of the editorial boards of Urban Affairs Review and State and Local Government Review. In 2009, he was elected as a Fellow of the National Academy of Public Administration. Hoene is a regular resource for the national media, with appearances on PBS, National Public Radio, CBS News, NBC News, CNN, Bloomberg, C-SPAN, and Fox and has been quoted in the USA Today, New York Times, Wall Street Journal, Economist, and Newsweek, among others. He holds an M.A. in public policy and Ph.D. in political science from Claremont Graduate University and has been with NLC since 2001. Prior to joining NLC he held positions with the Center on Budget and Policy Priorities in Washington, D.C. and the Public Policy Institute of California in San Francisco.

Elizabeth Kellar

Elizabeth Kellar is the President and Chief Executive Officer for the Center for State and Local Government Excellence. The Center promotes excellence in public service so that local and state governments can attract and retain the talent they need. It identifies promising practices and publishes research on pension and retirement plans, health care, demographics, and workforce issues. Ms. Kellar has extensive experience speaking and writing on such issues as ethics, intergovernmental relations, international municipal development, aging workforce challenges, and emergency management. She also serves as ICMA’s Deputy Executive Director, overseeing public policy and representing the Association with the Administration and with state and local government associations. She is a Fellow in the National Academy of Public
Administration and has served as chair for NAPA’s Standing Panel on the Federal System. She serves on the Advisory Council, American University School of Public Affairs, and on the Editorial Board, Public Administration Review. Ms. Kellar was chair of the Montgomery County (Maryland) Ethics Commission and began her local government career with the City of Sunnyvale, California. She has a master's degree in journalism and political science from Ohio State University.

John Kincaid

John Kincaid is the Robert B. and Helen S. Meyner Professor of Government and Public Service and Director of the Meyner Center for the Study of State and Local Government at Lafayette College, Easton, Pennsylvania. He also is Senior Editor of the Global Dialogue on Federalism, a joint project of the Forum of Federations and International Association of Centers for Federal Studies, and an elected fellow of the National Academy of Public Administration. He is the recipient of the Distinguished Scholar Award from the Section on Federalism and Intergovernmental Relations of the American Political Science Association and of the Distinguished Scholar Award from the Section on Intergovernmental Administration and Management of the American Society of Public Administration. He has served as Editor of Publicius: The Journal of Federalism (1981-2006); Editor of a series of books on the Governments and Politics of the American States; and Executive Director of the U.S. Advisory Commission on Intergovernmental Relations, Washington, D.C. (1988-1994). He is the author of various works on federalism and intergovernmental relations, and co-editor most recently of The Covenant Connection: From Federal Theology to Modern Federalism (2000) and Constitutional Origins, Structure, and Change in Federal Countries (2005).

Chris Koliba

Chris Koliba is the Director of the Master of Public Administration (MPA) Program and an Associate Professor in the Community Development and Applied Economics Department at the University of Vermont (UVM). He possesses a Ph.D. and an MPA from Syracuse University's Maxwell School of Citizenship and Public Affairs. His research interests include organizational learning and development, governance networks and complex adaptive systems, action research methods, civic education, and educational policy. Chris has written a book titled, Governance Network: Public Administration and Policy in the Midst of Complexity, that will be published in the fall of 2010 by Taylor & Francis. He has published articles in Public Administration Review, International Journal of Public Administration, Administration & Society, Administrative Theory & Praxis, American Journal of Evaluation, Ecological Economics, Educational Policy, Journal of Public Affairs Education, Journal of Higher Education Outreach and Engagement, Michigan Journal of Community Service Learning, the American Behavioral Scientists, and the American Journal of Education. He has served as principal investigator or co-principal investigator on research and program development grants from the United State Department of Agriculture, the Corporation for National and Community Service, the Vermont Department of Education, the Bonnor Foundation, the Bay Paul Foundation, and the Spencer Foundation. Chris teaches courses pertaining to public policy and public
affairs, public administration, governance networks, collaborative management, and the intersection of science and society. An experienced workshop leader and group process facilitator, Chris routinely facilitates faculty development seminars relating to the integration of service into the curriculum at several colleges and universities, and offers workshops on themes relating to community partnership development and reflection. He also consults with organizations and networks, utilizing action research and group development approaches to support organizational change and program evaluation efforts. A member of his local school board, Chris has served on a number of state-wide commissions pertaining to educational reform. He is married, father of three children, and lives in Central Vermont.

William Lester

William Lester is an associate professor in the Department of Political Science and Public Administration at Jacksonville State University. He received the M.P.A. degree and Ph.D. from Texas Tech University. His research and teaching interests include organization theory, leadership and ethics, public policy, disaster response, nonprofit institutions, public personnel, and American politics. He has published in Public Administration Review, The Public Manager, PS: Political Science, Reaching Through Teaching, and Church and State Issues in America Today. He also has a book forthcoming in the ASPA Series in Public Administration and Public Policy entitled Transformation and Leadership in Disaster Response. Additionally, he serves on the editorial board of Public Voices. Recent conference presentations include the ASPA Symposium on Accountability and Performance Measurement in the Hollow State and Minnowbrook III: The Future of Public Administration, Public Management and Public Service Around the World.

Jack W. Meek

Jack W. Meek is Professor of Public Administration at the College of Business and Public Management at the University of La Verne where he serves as Coordinator of Graduate Programs & Research and Director of the Master of Public Administration Program. His research focuses on metropolitan governance including the emergence of administrative connections and relationships in local government, regional collaboration and partnerships, policy networks and citizen engagement. Professor Meek has published articles for encyclopedias, chapters for several books and articles in academic journals including the International Journal of Public Administration, Public Administration Quarterly, The Journal of Public Administration Education, Administrative Theory and Practice, and the Public Productivity and Management Review, Public Administration Review and Emergence: Complexity and Organization. Jack serves on the editorial boards of the International Journal of Organizational Theory and Behavior, State and Local Government Review and Social Agenda.
David Young Miller

David Y. Miller is an associate professor with the Graduate School of Public and International Affairs (GSPIA) at the University of Pittsburgh where he is director of the Innovation Clinic at GSPIA and director of the Dick Thornburgh Forum for Law & Public Policy and director of the Public and Urban Affairs Program. He also served GSPIA as associate dean for 10 years and interim dean for one year. Dr. Miller is the author of *The Regional Governing of Metropolitan America* and numerous papers focusing on regional governance, regional financing of urban services, and municipal fiscal distress. His current research pursuit is identifying how different political subcultures in American society shape the development of regional solutions to local problems. Prior to joining the University, Dr. Miller had been director of the Office of Management and Budget for the City of Pittsburgh and managing director of the Pennsylvania Economy League. He currently serves as a commissioner on the Southwestern Pennsylvania Commission and on the boards of directors of the Local Government Academy and Sustainable Pittsburgh. He received his PhD in Public Policy Research and Analysis from the University of Pittsburgh.

Beryl Radin

Beryl A. Radin is Scholar in Residence in the Department of Public Administration and Policy at American University. An elected member of the National Academy of Public Administration, she has written a number of books and articles on public management issues (including works on reorganization, intergovernmental management, performance management and policy analysis.) A recipient of the Donald Stone Award for Outstanding Academic and Research contributions to Intergovernmental Management in 2002, she recently received the H. George Frederickson Award from the Public Management Research Association for lifetime achievement and continuous contributions to public management research over an extended career. A past Managing Editor of the Journal of Public Administration Research and Theory, she has served as a staff member in several federal government agencies. While her work has focused on the U.S., she has also examined federalism patterns in India, Canada and Australia.

Raymond C. Scheppach

Ray Scheppach was appointed Executive Director of the National Governors Association (NGA) in January 1983. As executive director, Ray oversees the day-to-day operations of the association and works closely with NGA’s chair and vice chair and their staffs to help identify priorities for the nation’s governors. The association has three major missions: to produce information and analysis of state innovations and practices, to create a bipartisan forum for governors to establish and implement policy on federal issues and to assist governors in managing state government. Prior to NGA, Ray worked for seven years at the Congressional Budget Office, serving the last two years as Deputy Director. Prior to that he worked for seven years in economic consulting and two years as an economist with the Standard Oil Company (Ohio). Under his leadership, NGA has risen to become one of the most powerful
lobbying groups in Washington. NGA was ranked 12th by *Fortune* magazine in its 1999 annual survey of the most influential trade associations, labor unions, and interest groups. As an advocate for federalism, Ray has testified before Congress on behalf of the nation’s governors on numerous occasions. He has written numerous professional articles on various public policy issues and has authored and co-authored four books on economics, including co-writing the 1984 book *New Directions in Economic Policy: An Agenda for the 1980s*. His specializations include federal and state budgets, health care policy, energy policy and United States competitiveness in the world economy. Ray is one of the country’s foremost experts on the role of government in the new economy. He co-authored the NGA report, *Governance in the New Economy*, which examines the forces shaping the U.S. economy and influencing American governance. Ray received his bachelor’s degree in business administration from the University of Maine, and his master’s and doctorate degrees in economics from the University of Connecticut.

**Carl W. Stenberg**

Carl W. Stenberg (BA, Allegheny College; MPA, Ph.D. State University of New York at Albany) is Professor of Public Administration and Government at the School of Government, University of North Carolina at Chapel Hill, and Director of the Master of Public Administration Program. He also serves as Faculty Director of the School’s Public Executive Leadership Academy. His previous academic positions were Dean of the Yale Gordon College of Liberal Arts at the University of Baltimore and Director of the Weldon Cooper Center for Public Service at the University of Virginia. Dr. Stenberg’s experience as a practitioner includes Executive Director of the Council of State Governments and Assistant Director of the U.S. Advisory Commission on Intergovernmental Relations. Stenberg is former Chair of the Board of Directors of the National Academy of Public Administration and Past President of the American Society for Public Administration. He is co-editor of *Managing Local Government Services: A Practical Guide*, published by the International City/County Management Association in 2007.

**Kurt Thurmaier**

Kurt Thurmaier is Professor and Director of the Division Public Administration at Northern Illinois University. His research interests include state and local public budgeting and finance, intergovernmental relations, comparative public management, and financing e-government, in which he has done extensive research, publication and teaching. His career includes four years in the Wisconsin State Budget Office as a budget and management analyst, a Fulbright Scholarship at Jagiellonian University in Krakow, Poland, consultant work with Polish local governments through the International City/County Management Association, and consultant work on US city-county consolidation efforts. He is an academic member of ICMA and the Illinois City/County Management Association, and the National Association of County Administrators.
In addition to numerous published articles, his books include *Policy and Politics in State Budgeting* and *Case Studies of City-County Consolidations: Reshaping the Local Government Landscape*, which analyzes the factors that lead to successful city-county consolidation elections in the US. His latest book (with Dr. Suzanne Leland) is an evaluation of city-county consolidation promises: *Case Studies of City-County Consolidations: Promises Made, Promises Kept?* (forthcoming in 2010, Georgetown University Press).
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FISCAL FEDERALISM

State-City and State-County Fiscal Relations: A Look at Past and Present Relations and a Glimpse at Relations in the Future
J. Edwin Benton, University of South Florida
jbenton@cas.usf.edu

There is mounting criticism of onerous and costly state mandates for they have turned out to be more costly than federal mandates. In fact, these issues often seem counter-productive to and severely hampering genuine efforts local governances. In short, it is believed that an overhaul of the state-local aspect of intergovernmental relations is long overdue. According to advocates for reform, the solution is a simple one. Local officials should be granted the kind of fiscal latitude that empowers them to respond effectively and responsibly to the service expectations and needs of their constituents. Accountability can still be ensured at the ballot box. Simply stated, the public can “throw out the rascals” at election time if locally elected officials become fiscally irresponsible or cease to be good stewards of the public’s money. If this system works at the national and state level, why can’t it work at the local level? Finally, many have advocated a moratorium on mandates, which Joseph Zimmerman refers to as the “principal irritants of state-local relations.” Whether one agrees with these positions espoused by the local governments and advocates for reform or whether one believes that the states should continue as “watch dogs” for the public’s interest, the issue is not going to go away. It has existed as a thorny and often troublesome intergovernmental issue for close to a hundred years and will loom larger in the decade ahead. Therefore, a re-thinking of state-local relations, but particularly in the fiscal arena, is warranted. This paper takes a closer look at the issue of state-city and county fiscal relations.

The Rise of Social-Welfare Spending and the Exacerbation of Coercive Federalism
Proposed by John Kincaid, Professor and Director, Lafayette College, Easton, PA - kincaidj@lafayette.edu

The rise of social-welfare spending by the federal government and by the states and their local governments is generating major intergovernmental issues leading to 2020. The principal challenge is that social-welfare spending is crowding out other spending on government essentials such as infrastructure, education, criminal justice, and economic development. Even without the currently proposed health-care reform package, social-welfare spending is on a collision course with all other federal, state, and local spending.

Discussant: Ray Scheppach, Executive Director, National Governors Association - TMoore@NGA.ORG
NETWORKED INTERGOVERNMENTAL RELATIONS

Managing Externalization: New Intergovernmental Role of Public Managers
Robert Agranoff, Professor Emeritus, Indiana University-Bloomington; Instituto Universitario Ortega y Gasset, Madrid; Institute for Public Governance and Management, ESADE Business School, Barcelona - (agranoff@indiana.edu)

This paper examines emergent roles in managing public agencies as they have become highly conductive, that is managerial roles shifting towards operating with rapid externalization. In the past century or so, intergovernmental relations (IGR) have gone through four eras: 1) building of the integral state/legal connections, 2) welfare state interdependency (particularly grants, regulations), 3) the contracting state and emergence of NGOs in government services operations, and 4) the current era of the network, where relational management is being expanded and worked out. All four phases are currently active, placing considerable emphasis on both internal and external management.

Disaster Response 2020: A Look into the Future
William Lester, Jacksonville State University - wlester@jsu.edu

This paper contrasts mere cooperation with a more in-depth collaborative system that seems to be on the horizon. A collaboratively-based system can help to reconstitute disaster response organizations in ways that are fundamental. This would help to bring about the changes called for in all of the major reports following Katrina. As can be seen in the post-Katrina reforms, the process of change has fallen short of the stated goals. Still, progress has been made and by 2020 the disaster response system should be a dramatic example of what can be accomplished in a collaborative system. Specific questions addressed within the paper include: Why is the proposed issue one of the most important? What levels of government are affected by it? How will intergovernmental relations be different in 2020 than in 2010 because of this issue?

Discussant: Len Churchill, City Manager of Tracy, California - Leon.Churchill@ci.tracy.ca.us

INTERGOVERNMENTAL MANAGEMENT AND PERFORMANCE

Performance Measurement and Accountability in the Intergovernmental System in 2020
Beryl A. Radin, American University - radin@american.edu

Given at least rhetorical concern about accountability and the current state of fiscal scarcity, one would expect that there would continue to be some effort to hold states and localities accountable for the way that they spend federal dollars. There are at least three possible scenarios that might emerge in response to this situation. The first would determine that performance requirements might be eliminated for block grants and other similar program designs. This has been done in Australia. The second might involve a set of requirements that highlight process requirements rather than outcomes (e.g. requirements that specific actors be involved in defining performance measures). The third might continue along the current path, attempt to define national measures, and effectively move away from flexible program design. This set of issues can be illustrated through discussion of specific programs as well as through an examination of the role of OMB in this effort.

Agency Forms and Reforms: Institutional Design for Cross-Boundary Public Management
Brian K. Collins, University of North Texas - Phone: 940-565-2318 Email: brian.collins@unt.edu

This paper offers an institutional theory of intergovernmental policy implementation that suggests performance can be enhanced through agency reformulation that addresses the three boundary dissolutions discussed above. Traditional intergovernmental relations rely upon silo-type agencies overcoming contracting issues or developing effective network associations. This theory posits that institutional design principles can facility agency operations and scope of authority to improve performance through three institutional mechanisms. First, agencies that are formulated to integrate varied geographies will improve performance. Second, agencies that are formulated to coordinate multiple government levels and integrate information at multiple levels (national, state, and local) will improve performance. And finally, agencies formulated to represent identifiable constituencies will improve performance. Each of these design principles enhances performance by formally integrating intergovernmental activities into an agency organization, which reduces transaction costs, increases information, and facilitates greater public accountability that consequently improves performance.

Discussant: Elizabeth Hill, Former Legislative Analyst, State of California - hillsanden@sbcglobal.net
CROSS BORDER PATTERNS OF INTERACTION

The Challenges of Interdependence and Coordination in the Bilateral Agenda: Mexico–United States
Mauricio Covarrubias, National Autonomous University of Mexico - mauri@unam.mx

This paper explores the impact of the interdependence of federalism in North America, specifically within and between Mexico and the United States that share one of the most complex borders in the world. The nature of the problems as neighboring nations will face in the next decade, suggests that we are facing a growing set of issues that are undermining the ability of a federalism focused on the principle of separation of powers, where the point is: which government responsibility faces a problem? On the contrary, the intensification of interdependence should lead us to ask: which combination of governments, compete tackle the problem? Although obviously the need for coordination will be greater, what is needed to effectively address these challenges is a kind of coordination that can only come from a holistic approach. In this context, at least, two things are imperative, first, recognize that the responsibility and management of the critical issues overwhelm governments within each federation, and, secondly, extend this premise to the relationship between the two countries. Thus, in the binational coordination, there are no shortcuts, because the power of decision and the willingness to implement are still rooted into the countries. This means that the effectiveness of actions between Mexico and the United States will depend on the existence of comprehensive policies on both sides of the border, which can only be achieved through a systemic action, structured on the principles of federalism. In the coming decade, the governments of both countries should take firm steps in that direction.

The Evolution of Sustainable Cities as a Metropolitan Policy Challenge
Eric S. Zeemering, San Francisco State University - zeem@sfsu.edu

This paper offers an argument about how the evolution of sustainability will change intergovernmental relations within metropolitan areas (horizontal IGR) and between metropolitan areas and states and national governments (vertical IGR). The first part of the paper will focus on the evolution of sustainable cities. The second section of the paper will explain how the pressure to pursue sustainability in local government will change horizontal and vertical IGR in U.S. metropolitan areas. The third section of the paper will offer three short examples from the San Francisco Bay Area to illustrate how sustainability is changing the practice of IGR. The paper concludes with an explanation of how the evolution of sustainable cities will be a critical IGR challenge between 2010 and 2020.

Discussant: Christopher Hoene, National League of Cities - hoene@nlc.org
Jill Boone, Climate Change & Sustainability Manager, Santa Clara County - jill.boone@ceo.sccgov.org

INTERGOVERNMENTAL MANAGEMENT AND INSTITUTIONAL DEVELOPMENT

International Intergovernmental Relations and Impacts on American Federalism
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U.S. state and local governments engage in international issues in ways previously not envisioned. The paper examines the emergence of subnational international engagement, focusing on the justifications for and impact of increased international intergovernmental relations as well as arguments against the activism. The role of the traditional intergovernmental lobby in coordinating international engagement is demonstrated with examples. Suggestions for a research agenda to study the developments are offered.

Intergovernmental Management at 50: An ACIR Perspective on Institutional Development and Policy Research Needs
Carl Stenberg, University of North Carolina at Chapel Hill - Stenberg@sog.unc.edu

The year 2009 marks the 50th anniversary of the creation of the U.S. Advisory Commission on Intergovernmental Relations (ACIR). It also marks the 50th anniversary of the informal launching of what would in the 1970s become recognized as the field of intergovernmental management (IGM). This paper proposes to examine the evolution of intergovernmental management using the ACIR as a frame of reference for: (1) identifying the key IGM issues that local, state, and federal practitioners identified and placed on the Commission’s agenda; (2) assessing the impact of the Commission’s recommendations for improving federal grants management; and (3) examining the current trends and issues in IGM and related policy research needs in light of the desirability and feasibility of an ACIR-like body.

Discussant: Beth Kellar, Associate Director, ICMA - ekellar@ICMA.org
COLLABORATION—INTERLOCAL AGREEMENTS AND REGIONALISM

Reframing the political and legal relationship Between local governments and regional institutions
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This paper will argue that both foundational principles are essential to the proper functioning of sub-national governance in the United States. They constitute a ying and a yang that collectively serve to allow both principles to coexist. Most efforts at reform of the governance of metropolitan regions fail because they have failed to understand or deal with the basic tension. These foundational principles need to be first acknowledged as legitimate and important and then addressed in a set of policies that manage the tension and conflict between those two competing principles. It is not our intention to resolve the tension. In the end, it needs to stay unresolved; but unresolved does not mean unaddressed.

Administrative Strategies for a Networked World: Intergovernmental Relations in 2020
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This paper begins with the application of network metaphors and frameworks to intergovernmental relations, positing intergovernmental (IGR) networks are a form of “governance network.” The authors then conclude that a particular set of administrative skills and dispositions are needed to successfully management within these networks, including: oversight, resource provision, negotiation and bargaining, facilitation, civic engagement, brokering and boundary spanning, and systems thinking. These skills and strategies are then applied to the role of one IGR network administrator: the executive director of a metropolitan planning organization. The authors conclude that these skills need to be valued for performance and democratic implications, particularly given the dynamic range of vertical and horizontal ties that exist in most IGR networks, and that are likely to evolve as times goes on.

Discussant: Christopher Hoene, National League of Cities - hoene@nlc.org
State-City and State-County Fiscal Relations: A Look at Past and Present Relations

and a Glimpse at Relations in the Future

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Paper presented at the “Intergovernmental Relations in 2020: Theory and Practice” Special Friday Symposium of the American Society for Public Administration, co-sponsored by the Section on Intergovernmental Administration and Management (SIAM) and Federal Systems Panel at the National Academy of Public Administration (NAPA), San Jose Fairmont, San Jose, California, April 8, 2010
State-local fiscal relations continue to be a significant point of contention within the American intergovernmental system as the second decade of the 21st century begins. Due to the fact that local governments are “legal creatures” of their states, the ability of local government officials to generate sufficient revenue to support the cost of staple services is an ever-present dilemma and challenge. Restrictions or caps are often placed on the most bountiful and reliable source of own-source revenue (property taxes), while limited opportunities are available for the adoption of other types of revenue sources—local option sales, income, gas, and utility taxes; charges for services, and various fees and special assessments. Moreover, states generally have been reticent about sharing larger portions of their own revenues with local governments, and whenever states have been willing to share their proceeds, there is no certainty that comparable monies will be available in subsequent years. Federal aid has also become less and less certain in recent years and usually accounts for only a small part of local government budgets. To make matters worse, states more and more frequently impose costly unfunded mandates on their local governments. This is in addition to a number of expensive, unfunded mandates imposed by the federal government. Therefore, local governments, but especially counties and cities, frequently struggle to make ends meet and satisfy what seems to be the public’s insatiable appetite for a larger menu of new services or a higher level of current services. In addition, scholarly studies, government reports, and media stories seem to point to the growing incidence of fiscal stress among cities and counties and increasingly question the realistic sustainability of these units of government, given the current economic climate.

As a means of addressing this situation, local government practitioners as well as well-known organizations like the National Association of Counties (NACo), National League of Cities, International City/County Management Association (ICMA), and former U.S. Advisory
Commission on Intergovernmental Relations (ACIR) have long advocated the expansion or liberalization of fiscal home rule for counties and cities. They have been critical of the outdated mentality that purports that only state governments can serve as adequate checks on the fiscal operations of local governments, while also viewing Dillon’s Rule as simply antiquated and extremely burdensome. In addition, there is mounting criticism of onerous and costly state mandates, since they have turned out to be more costly than federal mandates and tend to limit the budgetary flexibility of local governments. In fact, these interrelated issues often seem counter-productive to and severely hamper genuine efforts to exercise true local governance. In short, it is believed that an overhaul of the state-local relations is long overdue. According to advocates for reform, the solution to the daunting fiscal challenges plaguing local governments is a simple one. That is, local officials should be granted the kind of fiscal latitude that empowers them to respond effectively and responsibly to the service expectations and needs of their constituents. It is argued that accountability can still be ensured at the ballot box. Simply stated, the public can always “throw out the rascals” at election time if their locally elected officials become fiscally irresponsible or cease to be good stewards of the public’s money. If this system works at the national and state level, as reformers assert, why can’t it work at the local level? Furthermore, advocates for reform insist on the necessity of a moratorium on mandates, which Joseph Zimmerman (1987, 78) has referred to as the “principal irritants of state-local relations.”

Whether one agrees with these positions advanced by local officials, associations of governments, and reformers or whether one believes that the states have a continuing need and responsibility to serve as effectual “watch dogs” for the public’s interest in fiscal matters, the issue is not likely to go away any time soon. State-local fiscal relations have been a thorny and often troublesome intergovernmental issue for over a hundred years and will loom larger in the
decade ahead and possibly longer. Therefore, a deliberate and careful re-thinking of state-local relations, but particularly in the area of finances, would seem to be warranted.

Given this context, the purpose of this paper is to take a closer look at the subject of state-city and state-county fiscal relations. To that end, the paper will be divided into four parts. The first section will present an overview of the historical and legal background for state-local relations, while the second section will provide an analysis of trends in own-source municipal and county revenues, as well as state aid and revenue sharing patterns over the last 40 years. A third part of the paper will examine the complex issue of unfunded state mandates and their likely implications for the fiscal health of municipalities and counties. The final part of the paper will be devoted to a discussion of several factors that are likely to influence the shape of state-local fiscal relations for the next decade and possibly beyond and will conclude with some realistic projections.

CONTEXT FOR STATE-LOCAL RELATIONS

The United States Constitution recognizes only two governments—national and state. While state governments were placed on a coordinate plane with the national government, the “silence” of the Constitution with respect to the position and powers of local governments relative to state government would imply that decisions about these issues were left to the states (Krane, Rigos, and Hill 2001). Simply stated, local units of government, if they were to be established, would be creatures of their state governments. As such, they would exist in a unitary or hierarchical relationship to their state. This means that they also could be abolished at the discretion of their states and therefore must depend on them for both general and specific grants of power. Municipalities eventually would come into existence with the granting of corporate charters by their states. Counties were established somewhat differently. That is, they
were created as administrative arms or political subdivisions of states and would function like “branch” or satellite” offices of their state government, because they were expected to assist the state in the provision of a number of fundamental services to local citizens. However, the bottom line is that local units of government have never had an independent right of existence apart from their parent government, the state. Given this legal position of local governments, to what degree do they possess some element of home rule and, if so, how?

The matter of local government home rule in the United States predates the formation of the Nation and even colonial America. More precisely, it can be traced back to 12th century England. In the words of Frank Goodnow (1985, 2): “The municipal organization [as well as county organization] which first obtained in this country was, like most of our governmental institutions, an importation from England rather than an indigenous growth.” In fact, in Anglo-American history, the municipal charter of the City of London which dates back to 1100 still function as the principal blueprint for the grant of rights and liberties to the residents of a municipality (Alderfer 1956). Therefore, when migrating to North America, it was natural for the English colonists to bring the forms and structures of English local government with which they were familiar with them just as they brought with them other features of late medieval English culture (Krane, Rigos, and Hill 2001).

By the mid-1630s and well in advance of any other institutions of government coming into existence, English colonists had established townships and counties. With the creation of towns, property owners and residents of the community were able to enjoy certain benefits and exercise a modicum of self-rule. For instance, towns had the power to perform some functions and provide various services, such as roads and bridges, grain inspection, regulate the value of land, develop commercial space, and enforce settlement laws (Krane, Rigos, and Hill 2020).
These “settlement” laws even allowed townspeople in the first of their localities to vote in town meeting to determine who would be permitted to live in or be excluded from their community (Burns 1994).

Most accounts of the operations of American colonial towns and cities indicate that they neither adopted nor had corporate charters. Rather, localities considered themselves as “bodies politic,” which were governed by meetings of the town’s freemen. Residents of these early settlements also elected a large number of officers and committeemen who were responsible for various aspects of town business (Ostrom, Bish, and Ostrom 1988). According to Krane, Rigos, and Hill (2001), the sense of local control that developed over time was reinforced by the relative isolation of these scattered settlements across the vast colonial territory and frontier. Over the roughly 150-year colonial period, local governments and local politics were nurtured and allowed to develop with very little interference from the British Crown, and by the time of the American Revolution, “the custom and practice of local self-governance was strong and pervasive” (ACIR 1993).

The Revolutionary War was inspired by the spirit of an intrinsic right to local self-governance, and it was this unrelenting conviction that propelled the desire for home rule. Political scientist Roscoe Martin (1965, 28-29) describes the prevailing political of this time in this way: “The hard-won fruits of rebellion were considered to be local gains, and any enterprise not associated with the immediate local community was regarded with suspicion…They had the right to control their own affairs, which to the greatest degree possible were to be vested in the seeable, touchable government of the small community.” In spite of these strong beliefs, it is somewhat odd, however, that they were not incorporated into the U.S. Constitution. One explanation is that the Framers were so pre-occupied with the establishment of a new national
government and the relation of this government with to the state governments so as to leave no
time to consider local governments. At any rate, the existing state-local relations were basically
left intact, and hence, the absence of any explicit language pertinent to local governments. In the
words of Martin (1965, 29), this “silence” with respect to local governments and self governance
set things into motion that would ultimately lead to “…the reversal of the teachings of colonial
history; for by it the anterior governments, the local communities, were made secondary, and the
derivative governments, the states, became primary.”

It was not long after the United States Government was established that legal support for
local self-governance began to erode. First, the concern that public corporations might compete
with private ones—and thus present a threat to private property—led to the acceptance of the
legal opinion espoused by James Kent (1836) in his Commentaries on American Law that public
corporations (including all forms of local government) were subject to the control of state
legislatures. His assertion that local governments were subordinate to state governments was not
only the forerunner to the legal theory of local government that would later be referred to as the
“creatures of the state” theory, but it also disregarded nearly 200 years of local government
ascendancy, and above all, the reality that state legislators were representatives selected by the
citizens at the local level (Frug 1999).

A number of interrelated concerns pertaining to the future composition and control of
American cities also played a part in the decline of state officials’ support for and recognition of
extensive local self-governance. Growing fears that large and even medium-sized cities might be
overrun by the increasing numbers of distrusted and disliked ethnic groups immigrating from
Europe as well as the possibility that municipal offices might fall into the hands of political
leaders drawn from their ranks escalated. Moreover, media stories about machine politics, boss
rule, and the patronage system caused many people to view cities as the home of uneducated, impetuous mobs, undesirable, lazy, and undesirable foreigners, and low-life with strange customs and life-styles. These concerns, according to Krane, Rigos, and Hill (2001), were the main driving force behind the efforts of “malapportioned state legislatures dominated by rural interests …to constrain the evils they perceived as associated with city life. In fact, Frug (1999, 44) contends that these and related fears may have been an ulterior motive for Kent’s reasoning that local governments should be made subject to the control of the state legislature.

A third factor that undercut the local governments’ claim to self-governance was the increasing incidence of corruption and scandals related to the spending of public monies. After several decades of state governments abusing their power to sell bonds to support private economic development, a number of states amended their constitutions to restrict state borrowing and the use of state government credit for the benefit of private companies. With this turn of events, ingenious investors convinced municipal corporations, which still had unrestricted debt limits, to serve as a source of capital. In some instances, state governments used cities as a way to bypass the debt limits placed on themselves so that they could continue unwise state economic development projects. Simultaneously, local governments began to aggressively compete with one another to lure new commercial establishments. This change in the focal point of economic activity resulted in another wave of corruption and scandal. More specifically, overzealous municipal officials borrowed huge amounts of money in efforts to spur economic development, and when these investments turned into financial boondoggles, a number of municipalities decided to terminate their city charters so that they would not be liable for the debt.

Collectively, these events and factors set the stage for a precedent-setting court decision that would deliver a near-death blow to local self-governance and subsequently alter the
nature of state-local relations. That decision (*City of Clinton v. Cedar Rapids and Missouri Railroad Company*) which was handed down in 1868 by the Iowa Supreme Court has since been referred to as “Dillon’s Rule. The effect of this judicial ruling was that it applies to all local governments the reasoning of an older doctrine—the Ultra Vires Rule—“which holds that political subdivisions [of the state] possess only those powers expressly conferred by charter or law and no other powers” (Zimmerman 1995, 17). Over the years, a number of U.S. Supreme Court decisions have upheld Dillon’s Rule and it is still generally interpreted to mean that local governments only possess “only as much freedom and authority to govern their affairs as the state, through its constitution, statutory laws, and the judicial interpretations of these laws, chooses to give them” (Krane, Rigos, and Hill 2001). Nevertheless, states maintain the ability to grant a broad range of discretionary authority to their local governments.

The rather circumscribed view of local government authority served to bring together reformers and local government officials, with their efforts being branded “the home rule movement.” However, it is important to note that the home rule movement initially was limited to municipalities and not counties. Indeed, the genesis of the municipal home rule movement preceded the county home rule movement by about a half a century. This was due in large measure to the differences in the legal status and purpose for the creation of municipalities and counties. Whereas municipalities were established to delivery an array of services not offered by the state, counties were created to assist the state in the provision of essentially state services at the local level.

At the outset of the municipal home rule movement, reformers and local officials sought to eliminate problems resulting from “local privilege” legislation and stop or at least bring about a decrease in state legislative interference in municipal affairs. More to the point, they advocated
for a change in the treatment of cities by state legislatures, whereby cities would be granted the
authority to write and amend their own charters instead of being subjected to strict state
legislative oversight. Over time, the municipal home rule movement became identified with the
more liberal view that local governments should be granted greater latitude in self-government.

As the population of counties increased--but especially the population of unincorporated
areas—the advocacy for county home rule began to intensify. With more persons and businesses
choosing to reside or locate in the unincorporated parts of counties, county governments
experienced an unparalleled surge in service demands. Large and even medium-sized counties
were in uncharted waters with the expectation that they provide a larger menu of municipal- and
urban-type services but finding out that they possessed no—or at best, uncertain—legal authority
to do so (Benton 2002). To make matters worse, counties also quickly discovered that they did
not have the legal ability to raise considerably larger amounts of revenue in a fair and equitable
way so as to pay for new services or the expansion of older, traditional ones (Benton 2002). In
sum, like their city cousins, county officials began to realize that Dillon’s Rule presented a major
obstacle to their ability satisfy the expectations of their more urbanized citizens and that greater
latitude in home rule was imperative.

From the mid-1800s until the present time, the local government home rule movement
has been responsible for a general decrease in state legislative interference in local affairs while
home rule authority in the main has increased. Nonetheless, there has been no uniformity across
the fifty states with regard to these changes. Additional insight into the current status of local
government home rule is provided by Timothy Mead (1997). First, he asserts that “Dillon’s Rule
has been accepted as the essential doctrine of state-local relations.” Second, in spite of the fact
that some states (e.g., North Carolina and Alaska) have granted local governments extensive
authority and discretion, “it remains the case that local powers are granted, not inherent.” Third, “home rule, in one of its variants, is the practice in forty-five states,” and the states can be divided into two categories: imperium in imperio and legislative home rule. The imperium type, which Mead found in nineteen states, is based on the enumeration strategy, whereby certain powers are delegated to municipal governments or are designated as “matters of local concern.” These powers—whether they are delegated or designated—are the exclusive preserve of local government. Legislative home rule, which according to Mead is operative in twenty-six states, is predicated on the “devolution of powers” idea that local governments should “be able to exercise any power that the legislature is constitutionally able to grant or is not prohibited by either the U.S. or state constitution.” Finally, Mead (1997, 42) concludes that “…from virtually any perspective, local governments are legally powerless in the face of judgments by other levels of government.”

In recent years, there has been a renewed interest in local government home rule. The reasons for this are varied. Some scholars like Daniel Elazar (1998) assert that it is grounded in the larger “devolution revolution” movement, while others (e.g., Rusk 1999), maintain that a rekindled interest is due the creation of “empowered” local governments. The authors of the most recent, comprehensive academic work on local home rule authority argue that the impetus for renewed interest in the subject can also be explained by factors such as the “intense policy debates over economic growth, metropolitan sprawl, fiscal and quality of life inequities, and globalization” (Krane, Rigos, and Hill, 2001, 14). Regardless of the reason(s) that may have sparked the revival of interest in this topic, most discussions and debates about how best to reform local government usually have centered on the purposes and objectives of the 150-year-old movement known as the home rule movement. Whether this renewed interest in home rule
and increased discretionary authority for local governments has resulted in greater autonomy for local governments in fiscal matters and subsequently has altered the nature of state-local relations is the focus of the remainder of this paper.

In the next two sections of the paper, two thorny issues that have been frequent points of contention between states and their local governments and have marred state-local relations—state control over local government revenues and state mandates—will be examined.

**MUNICIPAL AND COUNTY GOVERNMENT REVENUE SOURCES**

The legal fact that local governments exist in a unitary relationship to their states coupled with a strict interpretation of Dillon’s Rule can lead us to only one conclusion about the ability of state and local governments to raise revenue—cities and counties are subject to the restrictions and limits imposed by the state and are likely to be dependent on the state to supply a portion of their revenue. This statement can be broken down into several hard realities. First, states have the unconditional authority to decide which types of revenue sources (taxes, fees, assessments, licenses, charges for services, etc.) are at the disposal of their local governments. Furthermore, the state (and the public as well via referendum) can impose restrictions and caps on any and all of these sources. Third, the ability of cities and counties to borrow money is typically subject to limits on the amount of bonded indebtedness that a jurisdiction may incur. Finally, counties and municipalities are at the mercy of their states when it comes to state financial assistance either in the form of grants-in-aid or revenue sharing.

The best way to gain an appreciation for the fiscal challenges confronting municipalities and counties is to examine revenue trends for these governments for the last 40 years.² Initially, we examine two broad categories of city and county revenues—intergovernmental revenue from the state and own-source revenues. These data are displayed in Figure 1. Two noteworthy
patterns are discerned from this figure. First, counties are more reliant on ST for a greater proportion of their general revenue (GR) than are municipalities. This finding is consistent with our expectations, since counties serve as political subdivisions or administrative arms of their states and are subsequently mandated to perform considerably more functions than are cities. In 1962, counties counted on ST for approximately one-third of their GR, while cities derived only 16 percent of their GR from their states. By 2002, ST still accounted for about a third of the GR of counties. Between 1962 and 2002, however, the ST proportion of the GR of cities, although still smaller than that for counties, did increase to 22 percent. A second pattern detected in the figure is that OSR, in spite of the fact it is the primary source of GR for both governments, is more important for cities. In 2002, OSR made up 70 and 62 percent, respectively, of the GR of municipalities and counties. The obvious implication of these patterns is that municipalities are more dependent on the state to grant them greater latitude in raising their own OSR than are counties. Nonetheless, counties still must raise a considerable percentage of their GR from OSR.

Figure 1: Own -Source Revenue (OSR) and Revenue from State Governments (ST) as a Percentage of General Revenue (GR), 1962-2002
Further insight into the revenue situation of counties and municipalities can be obtained by breaking down own-source revenues into its two major components—taxes (TX) and charges for services (CFS). These data are located in Figure 2. In 1962, both cities and counties placed much greater reliance on TX than they did on CFS. While TX accounted for 60 and 49 percent, respectively, of municipal and county GR, CFS contributed a much smaller proportion—19 and 12 percent, respectively. However, over the next 40 years, reliance on TX by both jurisdictions had decreased significantly (that is, to 41 percent for municipalities and to 35 percent for counties). Over this same period of time, CFS was accounting for a noticeably larger part of city (28 percent) and county (27 percent) GR. The most likely reason for this decreasing dependence on TX is that the public has traditionally criticized it as an unfair and inequitable method for raising revenue. In particular, criticism comes from those who believe that they pay more than they receive in benefits from tax-supported programs, while those who pay little or no taxes receive more benefits than they are entitled to.
Finally, data on the amount of revenue counties and cities are able to generate from various types of taxes are critical in developing a fuller understanding of the revenue challenges confronting these governments. Indeed, this data, which is presented in Table 1, help to inform us about the flexibility that municipalities and counties have in what historically has been a very contentious area of state-local relations. What is clear from these data is that property taxes provide an overwhelming proportion of all tax revenue for municipalities and counties as well as a substantial share of these governments’ GR. In 1962, property taxes accounted for about 46 and 44 percent, respectively, of all revenue collected by counties and municipalities. But, it is also clear from the data in Table 1 that reliance on property tax revenue declined significantly between 1962 and 2002 for these two local governments. Nevertheless, this did not necessarily

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mean that property tax revenues were being replaced by revenue generated from other types of
taxes. Closer inspection of Table 1 indicates that there were only very modest increases in
county and municipal revenues derived from sales, income, and several other minor taxes. Taxes
on gross receipts (sales tax) produced the largest amount of revenue, but it constituted only about
8 and 12 percent of the GR for counties and municipalities, respectively, in 2002.

To put things in a final perspective, several additional bits of information should be taken
into consideration. First, while the state is the single largest source of revenue for counties and
municipalities, there is considerable variation among the 50 states. In addition, there is wide
diversity in the levels of encumbered (earmarked) and unencumbered state assistance to these
governments. Second, the latitude to use a variety of taxes also varies. Currently, the local sales
tax is found in 33 states; however, some states restrict the levy of it to either municipalities or
counties (Berman 2008, 52). Third, of the 18 states that authorize local income taxes, only a
few—more specifically, Ohio, Pennsylvania, and Kentucky—depend on the tax to a significant
degree (Berman 2008, 52). In fact, of the roughly 3,500 jurisdictions that have adopted a local
income tax, fewer than 900 are outside the state of Pennsylvania (Morgan, England, and
Pelissero 2007, 295). Several of the nation’s largest cities—for example, Detroit, Cincinnati,
New York, Cleveland, Columbus, Philadelphia, Toledo—derive revenue from an income tax
(Morgan, England, and Pelissero 2007, 295), while three other cities (Los Angeles, San
Francisco, and Newark) levy a tax on an employer’s total payroll (ACIR 1992, 73-75).

Counties and municipalities, however, are not content with the current state of affairs,
and they are in constant dialogue with their states over financial matters. So what is it that cities
and counties want from their states? Simply put, they want more state aid, as well as greater
discretion in how they may use it (Bowman and Kearney 2008). In addition, they want the legal
authority to raise additional revenues themselves, particularly through local option sales, income, 
taxes, as well as a larger proportion of the money the state collects from the gasoline, tobacco, 
and various other taxes. The pivotal point is “local option,” whereby municipalities and counties 
decide for themselves, which, if any, taxes they will levy. Finally, cities and counties want 
protection for the revenue sources that they now have. In some instances, these governments 
have had to fight off exemptions adopted at the state level that reduce their intake from local 
property, sales, and other taxes (Berman 2008, 52). A related problem is that legislatures in states 
like California, at times, “simply has dipped into local tax revenues and used them for their own 
purposes (Berman 2008, 52).

THE STATE MANDATE ISSUE

While the lack of flexibility in raising their own revenue has been a sore spot for counties 
and cities and has led to greater friction in state-local relations, the financial problems created by 
state mandates has served to worsen relations in recent years. Mandates—whether in the form of 
statutes, executive orders, or administration regulations—frequently create unfunded costs for all 
local government, but especially municipalities and counties. While some mandates cost 
relatively little money, their collective effects can be astounding, and the big-ticket items in such 
areas as health care, education, land use, and environmental protection can overwhelm county 
and municipal budgets (Berman 2008, 47). In spite of the fact that city and county officials may 
empathize with the objectives of state mandates, they nonetheless recognize that mandates, in 
general, distort their jurisdiction’s priorities, as well as limit their managerial flexibility. 
Nevertheless, county and city officials seem agreeable to live with most mandates if those 
mandates are at least partially funded. Without such assistance, city and counties, facing their 
own financial constraints, are hard put to provide mandated services and address local priorities. 


Over the years, city and county officials who believe that they should not have to both “obey and pay” have lobbied state legislatures in efforts to prevent the enactment of costly mandates. When these efforts have been rebuffed, local officials have turned to limiting the financial impact. In this regard, they have had some success in two areas. One has been to obtain a pledge of receiving additional state funds to cover the cost of new mandates, although states have sometimes been unable or willing to not live up to these agreements. A second area were counties and cities have enjoyed some success has been in convincing the state to grant them expanded authority to raise the revenue required to pay for the costs of new mandates. However, local officials run the risk of angering taxpayers when taxes are increased to raise the money necessary to pay the cost of programs demanded by the state.

Another strategy of counties and municipalities designed to deter or slow down the adoption of new mandates is the fiscal note requirement. This condition, which is found in 40 states, obligates state agencies (and in some states, independent commissions), to estimate the costs that state laws and regulations impose on local governments (Berman 2008, 47). Several states require state reimbursement, in full or in part, to local governments for the expense of undertaking mandate activity in addition to the fiscal note requirement, while other states use the fiscal note requirement to call attention to the cost incurred by local governments. However, when the fiscal note requirement is not accompanied by an obligation, counties and cities usually enjoy only limited success in curbing legislative behavior. In fact, it seems that the most that counties and cities are able to achieve from the fiscal note requirement is to use the information for anti-mandate lobbying ammunition (Berman 2008, 47). Furthermore, the usefulness of the fiscal note may be limited since they usually do not even come close to estimating the actual costs of mandates. In the long-run, a statutory or constitutional requirement for reimbursement
has proven to be a more effective deterrent to unfunded mandates than the simple requirement for cost estimates, while reimbursement requirements that are part of the constitution with the support of the public may be more effective in controlling legislative actions than those created by statute (Berman 2008, 47).

According to Berman (2008, 47), states have either considered or adopted a number of other anti-mandate measures besides fiscal notes and reimbursement requirements, which include the following:

- Requiring an agency to complete and annually update a category that lists all mandates and shows the fiscal impact of new mandates
- Requiring state agencies to regularly review current mandates to determine whether any of them can be relaxed or eliminated
- Encouraging agencies to implement new mandates in a few localities, on an experimental basis, to determine their effectiveness and impacts before they are implemented statewide
- Enabling the governor to suspend mandates at the request of local governments (acting individually or together), should mandates be found to impose an unreasonable burden

In spite of the good arguments that municipal and county officials can marshal in opposition to state mandates, they may be fighting a losing battle. Notwithstanding the tensions that mandates bring to state-local relations, many initiatives have garnered the support of state officials, the public, and the media. Yet, some have been the product of end runs of local government employees (e.g., police officers and firefighters), who succeed in securing benefits through state legislation that they could not obtain through collective bargaining. Therefore, the mandate problem remains something of a no-win situation for all local governments, including counties and cities. That is, even if a state chooses to renounce a long-standing requirement that
localities provide a certain service, municipalities and counties may have no alternative but to fund the service anyway, because the public wants to keep it.

**STATE-LOCAL RELATIONS IN 2020**

Predicting the future behavior of elected and non-elected public officials and the actions of governments will always be an inexact science. Nevertheless, scholars and government officials—and sometimes, even civic and reform groups and the media—who continue to engage in the practice of speculating about what governments will be doing in the years and decades ahead and the subsequent implications for the public good and governance contend that there are benefits to be realized from this worthwhile exercise. One of the most frequently-mentioned benefits of making projections about the future course of government actions and behaviors, including predicting the future shape of relations between various levels of government in our federal system, is that it provides an impetus for skilled and well-thought-out planning. When applied to the state of state-local relations in a decade or two from now, it means that local officials, anticipating the posture/mindset of state government officials, will be in a better position to deal with the challenges that may be posed by one scenario versus another.

Anticipation that the state’s view of its role in state-local relations will remain the same in the years ahead versus the belief that a shift to a different pattern in which the state grants local governments more/less latitude in fiscal matters, provide greater/reduced financial assistance, and less/more likely to impose costly mandates will permit counties and municipalities to plan better for their finances so as to satisfy the service expectations of their citizens. In sum, a glimpse into the future—as imperfect as it may be—is better than no vision and serves as a critical basis from which to plan.
With this being said, what can be foreshadowed about state-local relations, in general, and for state-local fiscal relations, in particular, as the second decade of the 21st century begins? More specifically what is likely to be the status of state-local fiscal relations in 2020 and possibly beyond? Although it may not be possible to pinpoint precisely what the fiscal relations between states and their municipalities and counties will be in the next several years, we can, nonetheless, identify several factors that will have a significant influence on the outcome. Two critical factors will be the state of the national economy and public sentiment toward the trustworthiness and competence of local government officials.

By almost all accounts, the current recession is unparalleled in the havoc, misery, and economic dislocation it has created. More and more, scholars, public officials, and even average citizens believe that the recession is like nothing they have seen in their lifetime and increasingly have begun to compare the economic downturn to the Great Depression of the 1930s. Moreover, even a cursory examination of the nation’s economic “misery” index would seem to confirm the validity of these comparisons. The number of jobs in all sectors of the economy permanently lost, lingering high unemployment and under-employment rates, reduction in business investments and reported earnings of major companies, the astonishing rate of business failures like the “Big Three” U.S. automakers, Circuit City, and small “mom and pop” stores, a volatile stock market, and record numbers of home foreclosures all point to an economy that is not well and not likely to recover anytime soon. It fact, it is not unreasonable to speculate that the recession will persist for most of the present decade and beyond, and if it does moderate in the next year or so, it will undoubtedly leave an unforgettable, negative permanent and deleterious effect on the quality of life and the economy as most of us have known in our lifetime.
A persistently faltering economy can affect state-local relations from opposite directions. The first force would be the unwillingness of states to treat municipalities and counties as equals, or better put, to continue to regard them as “children who have not come of age in a parent-child relationship.” Simply put, state legislatures may be disinclined to grant greater latitude to local governments to tap new sources of revenue or expanding the rates of existing revenue options, particularly if they find themselves under considerable pressure from their constituents seeking protection from their own additional financial burdens. Just as governments are suffering from revenue shortfalls and uncertain future revenues, citizens are facing the bleak prospect of losing their jobs (and even pensions), indefinite furloughs, or having their income reduced. Therefore, the last thing that the local residents want to hear is that their local governments want to add the burden of new taxes and charges for services/fees or tax or charge them at a higher rate. In short, the public will be watching closely the efforts of local officials who seek greater revenue-raising capabilities and are likely to convince legislators at the peril of being voted out of office that now is not the time to allow local governments to make their personal economic situation worse.

The souring state of state-local fiscal relations would likely be exacerbated as states simultaneously experience the deterioration of their own revenue situation. Finding it a daunting challenge to balance the state budget given the escalating cost of health care, education, criminal justice system, etc., state legislatures may become increasingly reticent about increasing state aid to local governments or continuing the tradition of sharing a generous portion of their revenues with counties and cities. In fact, it is quite conceivable that we may see a decline in state aid and shared revenues if the economy continues to languish. In fact, this is already occurring in states like Florida where the legislature for the second year in a row is cutting funding for the court system and resulting in the loss hundreds of jobs in the offices of the clerks of the circuit and
count courts (Salinero 2010). Under these kinds of scenarios, friction in the state-local arena is
destined to intensify as local governments are left to fend for themselves in the wake of being
rebuffed in attempts to enlarge own-source revenues while at the same time suffering the loss of
state financial assistance.

The situation gets worse if states decide to shift responsibility for the provision of certain
services as well as the cost of providing them (e.g., courts, health care, welfare, public safety,
housing of prisoners, planning, elections, homeland security, etc.) downward to municipalities
and counties in an effort to cut state costs while also continuing to promulgate costly regulatory
mandates (e.g., employee pension plans and disability provisions, growth and conservation
restrictions, budget reporting and auditing requirements, health and safety codes, etc.). Mandates
will only add to the fiscal woes of cities and counties expected to “do more with less” as they
endeavor the make ends meet in an era of shrinking resources and rising costs of doing business.
Consequently, the strained relations in this area will only deteriorate further, and if local officials
and their citizens are “mad about mandates” as suggested by those who have written about the
mandate backlash (e.g., see MacManus 1991) these folks are certain to get “madder.” This can
be seen in a recent passionately-written open letter from the presidents of the Florida Association
of Counties and Florida League of Cities and published in the state’s major newspapers that
provides a summary of the financial fallout experienced by cities and counties caused by
mandates and urges the legislature to adopt a pending piece of legislation which would help to
reduce the mandate burden without impacting the state’s budget.

The revenue uncertainty and increased costs for local governments and stemming from a
prolonged recession, however, could trigger a different force that could positively affect the
shape of future state-local relations. More to the point, this could be a force that motivates states
and their municipalities and counties to think more creatively—collectively and innovatively—about how to deal effectively and resourcefully with fiscal matters that historically have resulted in friction. Indeed, the result could be a permanent change in the way in which all of these governments do business in the future. The possibilities are endless, but many entail taking risks, “thinking outside the box,” “reinventing government,” and the willingness to experiment with various forms of public-private partnerships, co-production of services, creation of more public corporations, and expanded use of volunteers in the provision of a large list of services. The positive result could be a reduction in the fiscal pressure currently experienced by both states and local governments to ensure the availability of services at the cheapest possible cost.

On another front, the nation’s economic problems could provide the impetus for a much-needed, long-awaited summit among state and local officials about a genuine sorting out of service responsibilities and how to pay for various types of government services. Which services are amenable to being financed by user fees or charges for services versus taxes? Are there some services that one of both levels of government should shed? In sum, a candid dialogue among equals is long overdue and could serve to make government leaner, more efficient, and more effective.

A second major factor that is likely to have a significant bearing on the shape of state-local relations in the decade ahead is the public’s perception of local governments and their officials. Americans, while consistently more trusting of their local officials than either federal or state officials, are still wary of their city and county governments and their ability to give the public its money’s worth in services. This view has been documented over the years by the former U.S. Advisory Commission on Intergovernmental Relations and numerous studies on citizen opinions of their local governments and local officials. Much of this distrust stems from
a long history of corrupt party machines, unreformed structures of government, political
patronage, and lack of professionalism in government operations. Moreover, given the absence
of a profit motive that drives the public sector, local governments do not necessary strive to
achieve efficiencies, effectiveness, and economies. This “waste-in-government” view of local
government has been confirmed in numerous studies of tax revolts, where citizens report that
they believe that local government should be denied access to new resources because they do not
wisely and efficiently spend what they currently have (see Benton and Daly 1992; Beck and Dye
1982). Therefore, the public traditionally has been and continues to be skeptical about the
motivations and competence of local officials and subsequently has expected the state to protect
them from unscrupulous, unwise, and unprofessionally-operated local governments by acting as
a “watchdog” or “Big Brother.” This perspective is not likely to change in the decade ahead.

Given this likely scenario, one should not expect much change from the current state of
state-local relations as we move toward 2020. In short, the status quo seems to be quite possible
for not only state-local relations but also for state-local fiscal relations. This would translate into
more of the same with respect to states’ position toward the revenue-raising options available to
municipalities and counties as well as for any relaxation in limits on bonded indebtedness. This
means that states are going to be very reluctant in granting additional latitude to counties and
municipalities with regard to new revenue options, but especially new taxes and more flexibility
in increasing the rates on existing taxes. At the same time, there will probably be added pressure
on cities and counties to continue to reduce their reliance on the tax that everyone loves to hate—
the property tax. One example of such a trend can be found in Florida where the legislature in
2007 mandated that cities and counties roll back property tax millage rates to 2006 levels. The
result of this statute, along with voter approval of a referendum in early 2008 that doubled the
homestead exemption from $25,000 to $50,000, has sent shock waves through the local
government budgetary process, as cities and counties have seen a dramatic drop in property tax
revenues (Benton, Aikins, and Miller, 2009a). In addition, it has set off a new round of bickering
between the state legislature and local governments as well as a rekindled interest among
counties and cities to seek greater home rule fiscal authority (Benton, Aikins, and Miller 2009b,
2010).

The prevalent sentiment among the public that counties and municipalities are not good
stewards of their fiscal resources, along with the sputtering economy, is likely to result in states
continuing to tightly restrict local government debt, particularly general obligation bonds. This
includes stipulations regarding maximum levels of indebtedness and requirements for popular
referenda to create debt or to exceed specified debt ceilings. The worst fear among citizens is
that they and future generations will be saddled with a debt that cannot pay and necessitate them
moving from their city or county. However, there may be some opportunity for counties and
cities to make ends meet with greater use of revenue bonds, since this type of borrowing does not
usually require voter approval but rather convincing possible purchasers of bonds that there is a
sufficient stream of revenue to make regular payments. Nevertheless, the deteriorating economic
situations of local governments may limit even this possibly, as potential bondholders may be
scared off.

Another set of interrelated factors that directly and indirectly are likely to impact state-
local fiscal relations can be distilled from the scholarly work of Scheppach and Shafroth (2008).
They argue that technology, globalization, and demographic transformations are driving major
economic and social change. In their view, technology and globalization have jointly brought
about “a new economy characterized by different sources of wealth and income, consumer
choices, and capital investments” (Scheppach and Schafroth 2008, 43). The principal technology change is the union of information and telecommunications. Simply stated, the very essence of economic value has been dramatically altered over time. Whereas financial transactions used to occur by the combining of natural resources with labor to produce value, value presently is generated when knowledge and technology are mixed. Furthermore, the combination of expanded trade agreements and technology has resulted in a globalized economy.

Another significant change noted by Scheppach and Schafroth (2008, 43) which is coincident to the changes described above is that the goods are increasingly being replaced by services as the final product in the world economy. Meantime, intangible products are becoming more important than tangible items, which make it difficult to identify precisely when financial transactions are made. This creates problems for governments when attempting to tax these types of goods. Other related changes include the increasingly dynamic nature of markets in the new economy and the formation of new kinds of corporate partnerships with the objective of capturing a larger part of the market (Scheppach and Schaforth 2008, 43).

The last factor that is driving major social and economic change, according to Scheppach and Schafroth (2008, 43), is the tremendous growth in that segment of the population that is over the age of sixty-five. In fact, the fastest growing age group is that of individuals over the age of eighty-five, as people are living longer. This translates into a slowing of the entry rate of new workers into the workforce, which affects employment and unemployment numbers. In addition, the largest grow in the population in recent years has been minorities, especially immigrants, who usually have lower levels of educational and marketable skills (Scheppach and Schaforth 2008, 43).
The implications for state-local fiscal relations can be summed up as states being less able financially to provide state aid or share their revenues as has been the case in the past. This will be due to several reasons. First, state expenditures are likely to rise as more resources will be diverted to services related to senior citizens and minorities. Second, state governments that levy a personal income tax will likely experience a decline in revenues from this source, since elderly taxpayers will derive a larger portion of their income from such things as Social Security, pensions, capital gains, and dividends. Third, the shift toward a services and intangible goods economy will greatly reduce state revenues because most state sales and use taxes apply only to goods. Moreover, states will be expected to lose additional sales tax revenue, given states’ inability to tax goods sold over the Internet or via telephone, cable, or satellite (Benton 2010a).

The bottom line is that, with state government revenues shrinking and their expenditures increasing and also unable to provide state aid and/or shared revenues, local municipalities and counties will encounter greater financial difficulty. The situation for these governments gets deteriorates further, if states limit or even reduce revenue-raising flexibility in the wake of reductions in state fiscal assistance. Then, the imposition of costly unfunded mandates will make the situation intolerable for cities and counties. Needless to say, this is the recipe for intensified, conflictual relations in state-local relations.

While there certainly other factors that may influence the shape of state-city and state-county over the next 10 years, the ones discussed above are likely to be the most important.

CONCLUSIONS

In an effort to project about the future of state-city and state-county local relations, it has been helpful to take a look into the past as well as take stock of the present state of these two sets of relations. Based on this approach, one could reach different conclusions that are rooted in the
wisdom and predictive power of some well-known, old sayings and beliefs. One is the belief that the future, in large measure, can be predicted from significant happenings and patterns that seemed to have dominated the past and present. A similar wise, old saying is that “history is always a good teacher.” Another is that one is destined to re-live the past (and by implication, repeat or avoid the errors of the past and the present), depending on the degree to which one learns from the mistakes and successes of the two periods. A third observation drawn from sages of the past is that the more things change, the more they are likely to stay the same. Although he probably would shun the thought of being called a sage, Deil Wright has, nonetheless, carefully studied the relations among the various levels of government in the United States and has offered some astute insights. More specifically, his observations composed the “raw material” that was used to identify patterns and trends in intergovernmental relations (IGR) and which ultimately enabled him to provide students of IGR with a path-breaking typology or his famous “phases” of intergovernmental relations (1988, 66-118).

From a review of Wright’s phases of IGR, one is struck by the potential for future state-local fiscal relations to resemble some past patterns. That is, there could be a return to (or as some may suggest, a continuation) of a “coercive” brand of relations between the states and their counties and municipalities.\(^5\) With respect to American federalism and the intergovernmental relations, generally, Conlan (2008, 33) has noted that “one of the most profound changes…has been the changing mix of policy instruments employed in federal-state-local relations, moving the system away from an almost total reliance on grants and incentives and toward instruments that impose sanctions on, preempt, or co-op state and local authority.” In no place has this been evident than in state-local relations, for there has been an enormous expansion of state mandates in recent decades. However, there appears to be a greater propensity on the part of the states to
promulgate more mandates during times of fiscal distress that accompany recessions. In short, “coerciveness” is likely to be a central feature of state-local relations over the next decade or even longer just as there are those who predict that coercive federalism will continue to be a significant general feature of our government system (Posner 2008).

Another possibility simultaneous to the “coercive” type of state-local fiscal relations is a “fend-for-yourself” model. Given the size of present and likely future state revenue shortfalls caused by the lingering recession, cuts in state aid to local governments is not unexpected, thus yielding another round of what scholars have called “fend-for-yourself federalism” (e.g., see Shannon 1983, Conlan 1988,; Dilger 2000; Pagano and Hoene 2003). Almost always used in discussions of the “devolution” of government responsibilities, the “fend-for-yourself federalism” refers to the actions and decisions that are made by each (but usually a higher) level of government without regard for the others. State governments, already struggling as a consequence of the recession and rising costs in education, health care, corrections, public safety, and courts increasingly have passed along a share of the overall burden to counties and cities through cuts in funding for state mandated programs and reductions in revenue sharing programs. In addition, states are mandating that cities and counties take over total responsibility for a number of functions. At the same time, there appears to have only minimal interest in granting additional fiscal authority to local governments to raise new revenue to off-set losses in state financial assistance (Pagano and Hoene 2003). The result of these actions (or inactions) is a weakening of the intergovernmental partnership.

A third and more sanguine and intriguing possibility is the evolvement of a new phase that will be referred to here as an “innovative/entrepreneurial” phase. While it draws partially from Wright’s “cooperative” and “calculative” phases, it would be distinguished by the
introduction of two new, dynamic and untapped elements—the spirit of innovativeness and entrepreneurial chance taking. Under this scenario, there is the opportunity for states and their counties and cities to chart a new course in future relations that could result in a dramatic shift in relations that would bear some resemblance to “cooperative” federalism but novel and experimental in design and approach. Although this new direction in state-local relations may require some constitutional and statutory changes, it is conceivable that it could develop principally through extra-constitutional efforts, accommodations, and arrangements, as well as through the re-thinking of archaic, stereotypic mindsets.

These are but some plausible scenarios for state-local fiscal relations in the year 2020. These are the best projections that can be made at the present time. How these relations will actually be characterized 10 years from now and whether they will be different or a repeat of the past or a continuation of the present will require us to revisit this subject in 2020.
ENDNOTES

1. For a more in depth discussion of the home rule movement, see Krane, Rigos, and Hill (2001).

2. For a comparison of these trends with those of other local governments (that is, special districts, townships, and school districts), see Benton 2010b.

3. For example, see State of Minnesota 2000 and Grossback (2002).

4. For a number of years, the ACIR reported this information in its publication, Changing Public Attitudes on Government and Taxes (1991). Since the demise of the ACIR in the early 1990s, the public’s views in this regard have been tracked by surveys conducted by the Pew Foundation. An example of one of a myriad of local studies reporting the lack citizenry trust in local governments to provide quality services for the money paid in taxes and fees is Benton and Daly (1992).

5. See, for example, Kincaid (1990).
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The Rise of Social-Welfare Spending and the Exacerbation of Coercive Federalism

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Paper prepared for the IGR 2020 Symposium at the Annual Meeting of the American Society for Public Administration, San Jose, California, April 9, 2010.
The Rise of Social-Welfare Spending and the Onward March of Coercive Federalism

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Predicting the intergovernmental future is hazardous; many predictions have founded on the shoals of history. The idea of cooperative federalism emerged in the 1930s as a hopeful prediction (Clark 1938), but did not become the regnant characterization of intergovernmental relations until the 1960s (e.g., Corwin, 1950; Elazar 1984; Grodzins 1966), just as an era of coercive federalism was dawning (Kincaid 1990, 1993). Federal aid to state and local governments, a key characteristic of cooperative federalism, had increased steadily after World War II. It then skyrocketed by 223 percent in real terms (2005 constant dollars) during the heyday of cooperative federalism (1957-67) and by another 140 percent during the closing years of the cooperative era (see Figure 1). However, aid declined by 19 percent from 1977 to 1987, prompting one observer to predict an era of “fend-for-yourself federalism” (Shannon 1987). This metaphor enjoyed wide currency for about a decade even though, a year after it was proffered, federal aid soared again, increasing by 58 percent from 1987 to 1997 and by 46 percent from 1997 to 2007. Aid is projected to rise by 23 percent from 2007 to 2015 (Executive Office of the President 2010).

Despite the tendency for predictions to go awry, certain political and social trends prevalent for some 40 years point toward an intergovernmental future where coercive federalism, which emerged in the late 1960s, will also define the 2020s because the federal government will continue to dominate intergovernmental policymaking, compelling elected state and local officials to lobby ever harder for concessions. At the same time, intergovernmental policy implementation and innovation will likely remain mostly cooperative. The most significant change is that intergovernmental relations will be embedded in an increasingly austere and perhaps untenable fiscal environment that will further enhance federal power and weaken historic state and local functions. The principal driver of austerity will be rising social-welfare spending—another trend that emerged in the 1960s with the enactments of Medicare and Medicaid and expansions of other social programs. Social-welfare spending will suck funds out of crucial state and local government functions, such as infrastructure, education, criminal justice, and economic development, and also constrain economic growth, which, in turn, will increase social-welfare needs and reduce revenues. At the same time, state and local governments will have little room to increase taxes because the federal government will be the superior tax competitor, the federal government will limit state and local authority to tax activities deemed important for interstate commerce and globalization, and citizens will constrain state and local taxes more readily than federal taxes because state constitutional amendments and other tools of democratic influence, such as the initiative, referendum, and recall, are more accessible than are federal officials and the federal Constitution.

The Fiscal Crisis and Social-Welfare Spending

Predictions of fiscal crisis are not new. Such predictions drove the third-party candidacy of Ross Perot, who won 18.9 percent of the popular vote in the 1992 presidential election, thereby inducing Democrats and Republicans to reduce deficit spending and generate surpluses.
during the last three years of Bill Clinton’s presidency. These surpluses, however, were made possible by reducing defense spending and especially by ‘borrowing’ excess Social Security revenues. Neither of these strategies is viable now. Since 2000, deficit spending has ballooned again, and the recession that began in December 2007 has reduced Social Security revenues so significantly that the system’s annual surpluses will probably vanish by 2017 (Montgomery 2009). According to the Congressional Budget Office (CBO), this will require the federal government to borrow more than $700 billion from domestic and foreign investors over the next decade and to begin repaying the funds borrowed from Social Security during previous decades until those reserves are exhausted in 2037, compelling Congress in the meantime to cut other spending, increase debt, and/or raise taxes.

The Government Accountability Office (GAO) projects that “absent policy changes, the federal government faces an unsustainable growth in debt” (2010a, 1). The recession has aggravated the crisis. The GAO concludes that “debt held by the public as a share of GDP could exceed the historical high reached in the aftermath of World War II by 2020—10 years sooner than our simulation showed just 2 years ago” (2010a, 1). Debt could grow to 85 percent of GDP by 2018 and exceed 100 percent by 2022 (Peterson-Pew Commission 2009). If Congress wishes to keep debt over the next 75 years from exceeding its 2010 level (53 percent of GDP), it will have to increase revenue by 50 percent or reduce non-interest spending by 34 percent. Under current policies, the GAO expects that demographic changes (mainly a growing senior-citizen population), rising health-care costs, and deficit spending will require the federal government’s major entitlement programs, plus net interest payments, to consume “93 cents of every dollar of federal revenue” by 2030 (2010a, 6).

The GAO also projects steady fiscal decline for state and local governments through 2060, with revenue growth as a percentage of GDP likely remaining flat (2010b). If state and local governments wish to stem this decline, they will have to reduce spending by about 12.3 percent annually for the next 50 years or increase revenues by a comparable level. The primary driver of this fiscal decline is health care costs—mostly Medicaid and health insurance for state and local government employees and retirees. In addition, state and local governments face huge pension liabilities, as well as other social-welfare costs (e.g., SCHIP, TANF, and unemployment).

The 2007-?? recession has sunk such deep roots, however, that these projections might be optimistic. By late 2009, the average unemployment spell exceeded six months for the first time since 1948, and the broad U-6 unemployment rate reached 17.4 percent, dropping only to 16.8 percent in February 2010 (Bureau of Labor Statistics 2010). Recovery is likely to be slow because the economy needs to create about 10 million jobs just to achieve 5 percent unemployment, and many manufacturing jobs lost to globalization will not return or be replaced by new manufacturing.

Quite important are the recession’s long-term social-welfare consequences. Skills can become outdated during long bouts of unemployment, and retraining is not always available or effective. In addition, young people who enter recessionary markets are more likely to have lower lifetime earnings and more personal problems, such as drinking and marital dissolution, than those who start in robust markets (Kahn 2009). At the same time, many older workers
unemployed now might never re-enter the labor market. Extended unemployment for mid-career people can produce long-term depression, poorer health, marital conflict, and problems for their children. Declining income is already associated with reduced marriage rates and increased single parenthood, mainly for women. More than 50 percent of new mothers who have no college degree are not married, and their children are more likely to experience school, mental-health, and crime problems (Peck 2010). Such consequences of recession and unemployment are even more exacerbated for blacks and Hispanics. It also is possible that prolonged economic decline and growing inequality will generate more class and racial conflict, xenophobia, hostility to the poor, and resentment (Friedman 2005). Troublesome consequences could flow as well from the fact that, for the first time in U.S. history, men have suffered more unemployment during this recession than women.

In summary, although an aging population is the principal driver of escalating social-welfare spending, a panoply of social problems arising from various sources, such as increased inequality, economic sluggishness, and losses of manufacturing jobs, heighten the demand for social-welfare spending which, in turn, reduces monies available for public capital investments most likely to regenerate the economy and, thereby, reduce the demand for social-welfare spending and increase revenues to manage the inexorable march of the baby-boom generation through parched fields of fiscal federalism. Consequently, 2020 might not be a wonderful year to be an elected state or local official.

**Enduring Coercive Federalism**

The term “coercive federalism” is meant to describe an era in which (a) the federal government is the dominant policymaker in the federal system, (b) the federal government is able to assert its policy will unilaterally over the states and their localities, (c) elected state and local officials are more often lobbyists than partners in intergovernmental policymaking, (d) interactions between federal officials and elected state and local officials are more often consultations than negotiations, (e) there are few constitutional limits on the exercise of federal power, (f) cooperative policymaking, when it occurs, is most often due to the influence of interest groups operating outside the intergovernmental system than to state and local officials operating inside the intergovernmental system, and (g) all important arenas of state and local decision-making are infused with federal policy rules.

The principal characteristics of coercive federalism are (1) a shift of federal aid from places to persons, (2) conditions of aid that compel states to comply with policies that often fall outside of Congress’s constitutional ambit, (3) federal mandates on state and local governments, (4) federal preemptions of state powers, (5) restrictions on state and local tax powers, (6) the nationalization of criminal law, (7) the demise of intergovernmental institutions, (8) a decline of intergovernmental political cooperation, and (9) federal-court litigation.

Demarcating an historical era is necessarily imprecise. It is impossible to identify an exact start date and to exclude contradictory phenomena that coexist in any era. During the era of federalism commonly labeled “dual,” for example, there were many manifestations of intergovernmental cooperation (Elazar 1962). Instead, demarcation of an era claims to identify
the predominant patterns of behavior in contrast to other eras as well as the approximate transitional phasing from one era to another.

Furthermore, given the multiple arenas of intergovernmental relations and the endurance for more than 200 years of the basic federal features of the U.S. Constitution, elements of the previous eras of cooperative and dual federalism operate simultaneously under coercive federalism. Cooperative federalism continues to characterize intergovernmental policy implementation, while dual federalism continues to characterize policymaking within the realms of decision making still available to state and local governments.

**Federal Grants-in-Aid**

There has been a dramatic shift in federal aid from places to persons since 1978 (Kincaid 2001). In contrast to 1978, a high point in federal aid, when only 31.8 percent of aid was dedicated to payments for individuals (i.e., Medicaid and other social welfare), 54.7 percent of aid was dedicated to payments for individuals in 1988 and then 65.2 percent in 2008. In 2015, about 70.9 percent of aid will go to payments for individuals (see Figure 2).

This shift has six major consequences for state and local governments. First, it has reduced aid for place-based functions such as infrastructure, criminal justice, economic development, environmental protection, and government administration. Medicaid alone accounts for more than 45 percent of all federal aid. As the GAO noted, because of Medicaid especially, “other federal grants—including those for education, highways, weatherization, housing, and other programs—are projected to decline as a percentage of GDP after 2010” (GAO 2010b, 6). Thus, a long-term economic impact of this shift is likely to be reduced state and local spending on infrastructure, higher education, and other core functions that have traditionally defined the states’ raison d’etre.

Second, this shift has coupled state budgets to social-welfare programs susceptible to escalating federal regulation, cost-shifting, and matching state and sometimes local costs. Social-welfare programs necessarily entail substantial federal regulation, even if they permit administrative discretion. On average, moreover, states now spend about 17 percent of their general funds on Medicaid and, with the federal match, about 22 percent of their budgets, usually making Medicaid the second largest category of state spending after K-12 education. By 2020, moreover, states will be paying a portion of the costs arising from the 2010 health-care reform. Because of an aging population, the long-term care component of Medicaid will become especially burdensome fiscally. In retrospect, state officials should have embraced President Ronald Reagan’s 1982 swap proposal (Williamson 1983; Farber 1983).

Third, the shift has heightened the role of states as administrative agents of the federal government, delivering services to individuals, which was, historically, a classic state rather than federal role.

Fourth, the shift of aid from places to persons is the major factor in the decline of federal aid for local governments since the mid-1970s. States are the primary recipients of federal aid for social welfare. Local governments will likely experience further reductions in federal aid, with
municipal governments being affected most acutely because they perform the fewest social-welfare functions. In turn, though, states will have less revenue to send to local governments, and state aid for K-12 education will take precedence over aid for other local functions—though federal and state funding for K-12 education will likely be reduced, too, by competing social-welfare expenditures. Yet, local governments also face rising social-welfare costs because they are welfare providers of last resort (e.g., county hospitals and municipal homeless programs) and because state and federal mandates have imposed costs on them (e.g., special education, which accounts for about 20 percent of school budgets). In addition, all school districts, most county governments, and many municipal and township governments face escalating personnel costs. For municipalities that have employees, the costs of wages, salaries, benefits, and pensions often consume well over 50 percent of the local budget.

Fifth, the growing scarcity of federal aid for non-social-welfare and non-Medicaid functions will likely increase competition among program advocates, between non-governmental program advocates and state and local governments, among state agencies and among local agencies, between states, between local governments, and between state and local governments. This competition will militate against attempts to consolidate the federal government’s 800-some grants into block grants because interest groups will defend all programs that benefit them.

Sixth, this shift partly explains why, despite the huge increase in federal aid since 1987, federal aid has not significantly alleviated long-term state-local fiscal stress and why the infusion of $87 billion for Medicaid through the American Recovery and Reinvestment Act of 2009 still left most states with large budget shortfalls during the recession.

Another coercive aid-characteristic is the increased use of crosscutting and crossover conditions attached to federal aid since the mid-1960s (Advisory Commission on Intergovernmental Relations 1984), such as speed limits, the 21-year-old alcoholic-beverage-purchase age, and drunk-driving blood-alcohol level attached to surface-transportation aid. These conditions advance federal policy objectives, some of which fall outside of Congress’s constitutional powers, and also extract state and local spending on those objectives. Although the emergence of block grants during the era of coercive federalism led to predictions of a devolution revolution (e.g., Nathan 1996; Conlan 1998), block grants account for only a small portion of federal aid, Congress has regularly re-conditioned block grants, and block grants foster administrative discretion in federal policy implementation, not devolution of significant policymaking authority. The latter was evident in the Personal Responsibility and Work Opportunity Act of 1996, which gave states considerable discretion in how they achieved detailed federal policy objectives (Kincaid 1999). A survey of city officials reported that the “programmatic results of federal devolution policies . . . have been marginal at best” (Cole et al. 1999).

A subcategory of conditional aid has been increased congressional earmarking. Earmarks in appropriations bills increased from 1,439 in 1995 to 13,997 in 2005, thereafter dropping to 11,610 in 2008 (costing $17.2 billion) and 10,160 in 2009 (costing $19.6 billion) according to Citizens Against Government Waste (2009). Earmarking is attractive, in part, because faced with declining federal aid for place-based functions, members of Congress seek money for public facilities and other tangible projects for which they can claim credit. In turn, state and local
officials are compelled to lobby for earmarks as second-best sources of placed-based funding, although members of Congress frequently earmark money for projects that conflict with state and local plans and needs.

Although some members of Congress advocate the abolition of earmarks, the shift of federal aid from places to persons and the heightened conditioning of federal aid will likely continue into 2020. Prospects for significant change are not strong. For example, the federal government could markedly reduce state fiscal stress by pulling all senior-citizen services into Medicare, but the possibility of such a change appears to be dim (Scheppach and Shafroth 2008).

**Federal Mandates on State and Local Governments**

Federal mandates, of which only two were enacted before 1964, increased significantly under coercive federalism until enactment of the Unfunded Mandates Reform Act of 1995 (UMRA). This law is one of the few restraints on coercive federalism. Since 1995, only 11 mandates have been enacted with costs above the act’s threshold (Congressional Budget Office 2009, 2). However, UMRA covers only a narrow portion of federal actions that impose costs on states and localities and does not include conditions of aid, preemptions, and some other policies. Congress has declined to amend UMRA to include such cost-inducing measures. Overall, the National Conference of State Legislatures (2010) has estimated that federally induced costs for the states equaled at least $130 billion from 2004 to 2008. However, it also is estimated that during 2002-08, the federal government promulgated an average of 527 rules per year regulating state governments and 343 regulating local governments, the costs of which are unknown (Crews 2009).

In UMRA’s wake, Congress also appears to be shifting from *de jure* to *de facto* mandates. One example is the REAL ID Act of 2005. States complain that it is underfunded and, in its original form, could have cost states about $13 billion to produce compliant driver’s licenses. States can opt out of the act’s rules, but if they do so, their residents’ licenses will not be accepted for any federal-government purpose, including boarding an airplane, riding Amtrak trains, opening a bank account, purchasing a firearm, applying for federal benefits, and entering a federal building. Thus, while not technically a mandate, REAL ID puts states in such an untenable position with their citizens as to constitute a *de facto* mandate.

It is unlikely that these trends will change significantly by 2020, and if the federal government’s fiscal position deteriorates as predicted, Congress and presidents will have more incentive to shift costs to state and local governments whenever politically possible. However, a sustained Republican majority in Washington, DC, if it actually imposed fiscal restraint, could slow these trends, much like the new Republican congressional majority enacted UMRA in 1995.

**Federal Preemptions of State Powers**

Another major characteristic of coercive federalism is federal preemption. From 1970 to 2004, Congress enacted some 320 explicit preemptions compared to about 200 explicit preemptions enacted from 1789 to 1969 (National Academy of Public Administration, 2006).
That is, 62 percent of all explicit preemptions in U.S. history have been enacted since 1969, a period accounting for only 15.8 percent of U.S. constitutional history (as of 2004). In addition, there is a vast but uncounted field of implied preemption embedded in federal-agency and federal-court rulings. Although some preemptions are beneficial to the states (Zimmerman 2010), the historically unprecedented leap in preemption since 1969 has irrevocably established the federal government as the top dog in the federal system.

Preemption will still reign in 2020, but the pace will likely slow over the decade. However, the pace and nature of preemption will depend on partisan control of Congress, the White House, and the Supreme Court. Generally, Republicans prefer total preemption of a wide range of state powers pertaining to the economy, consumer affairs, product liability, and environmental protection. As Representative Henry Waxman (D-CA) reported in June 2006, Congress had voted at least 57 times to preempt state laws over the previous five years. Those votes yielded 27 statutes including 39 preemptions (OMB Watch 2006). The pace of preemption and number of preemptions will likely be higher under Republicans.

Generally, Democrats are less willing to preempt state powers pertaining to the economy, consumer affairs, product liability, and environmental protection. When they do, they often endorse partial preemption whereby federal law establishes a national minimum standard that can be exceeded by states or delineates policy matters subject to state action. In June 2009, for example, President Barack Obama signed the Family Smoking Prevention and Tobacco Control Act allowing the Food and Drug Administration to regulate most tobacco products. The act specifically preserves state product-liability laws.

In certain other policy fields, especially civil rights, Democrats are more willing to support preemption, including total preemption. For instance, during his campaign, Obama told Planned Parenthood, “The first thing I’d do as President is sign the Freedom of Choice Act” (YouTube 2007) that would preempt virtually all state and local laws deemed to be barriers to abortion. He also wants the federal government to take over the establishment and enforcement of safety standards for mass-transit systems and to increase federal regulation of insurance.

Similarly, conservatives on the Supreme Court support preemption more often than liberal justices. The prospect of a liberal majority on the Court in 2020 is probably less likely than a conservative majority because the average age of the Court’s liberals is 74 while that of the Court’s conservatives is 63. The swing justice, Anthony Kennedy, is 74. Furthermore, it is unlikely that Democrats will hold the presidency for the next ten years. Even with a liberal majority, however, the Court will be only a speed bump, not barrier, on the freeway of preemption.

Restrictions on State and Local Tax Powers

Federal intrusions into state and local tax powers also characterize coercive federalism. Prominent examples are the Supreme Court’s restriction on state sales-taxation of out-of-state mail-order sales (Quill 1992). In October 2007, President George W. Bush signed the Internet Tax Freedom Act Amendment Act, a seven-year extension of the moratorium on state-local taxation of Internet access.
In response to *Quill*, some states have joined the Streamlined Sales and Use Tax Agreement; however, Congress has not approved the agreement. A sustained Democratic majority in the federal government might approve such an agreement by 2020, but a Republican majority is unlikely to do so. A sustained Democratic majority might also, however, increase federal taxation and possibly even enact a federal sales tax or VAT, which could severely limit the political room available for increased state and local taxation.

Some states have continued to devise ways to collect sales taxes on out-of-state mail-order sales, especially by arguing that in-state marketing affiliates of big online retailers should collect the state sales tax. However, some states have backed down in the face of online retailer threats to drop affiliates in their states and, thus, cause the states to lose businesses and jobs. Otherwise, whether this tax strategy will withstand judicial scrutiny is unknown.

Additionally, the increased use by the federal government and the states of their tax codes as a social-welfare tool will further constrict revenue generation. The $42 billion federal Earned Income Tax Credit (EITC), for example, lifts more children out of poverty than any other federal program. About 24 states also have an EITC.

In summary, the prospect of a robust state-local tax environment in 2020 is not bright.

*Nationalization of Criminal Law*

In the Kentucky Resolutions of 1789, Thomas Jefferson wrote that the U.S. Constitution “delegated to Congress a power to punish” four sets of crimes “and no other crimes whatever.” Now, there are about 4,500 federal criminal laws, including about 50 capital offenses, and the number of U.S. attorneys has increased from about 1,500 in 1980 to 7,500 today. This post-1968 development (since the Omnibus Crime Control and Safe Streets Act of 1968) prompted Arthur Maass to warn in 1987 that “the most serious and politically disabling federal intrusion of recent years into the independent political status of state and local governments” was the rising federal campaign “to prosecute elected state and local officials . . . for local corruption” under vague and broadly drawn federal statutes not aimed at such officials (p. 196).

Only recently, though, have critics, both left and right, stepped up attacks on this nationalization (Liptak 2009; Silverglate 2009), which is another feature of coercive federalism. Business interests object, for example, to the federal theft-of-honest-services statute, which is frequently used to prosecute business executives and state and local officials. Civil libertarians worry about rights deprivations occurring under federal drug laws, such as longer sentences for black users of crack than white users of powdered cocaine. The repressive potential of such statutes as the federal anti-riot act, which makes it a felony to cross state lines to “organize, promote, encourage, participate in, or carry on a riot,” also elicit anxiety. Of particular concern are federal laws that are overly broad, vague, and punitive, including continued confinement of sex offenders after they have completed their sentences. Furthermore, some significant federal laws lack requirements to prove traditional types of criminal intent, allow federal prosecutors to shop for a conviction-friendly venue, and produce disproportionately large private-property seizures compared to alleged offenses.
This nationalization of criminal law will likely continue into the 2020s because federal officials have strong electoral incentives to be tough on crime.

**Demise of Intergovernmental Institutions**

Coercive federalism also produced the demise of executive, congressional, and independent intergovernmental institutions established during the era of cooperative federalism. Most notable was the death of the Advisory Commission on Intergovernmental Relations (ACIR) in 1996 after 37 years of operation. Congress no longer has important committees devoted to federalism and intergovernmental relations, and federal departments either have no intergovernmental office or a highly political one. President Reagan dismantled the intergovernmental unit in the Office of Management and Budget, and the GAO’s intergovernmental unit was phased out in the early 1990s. The White House IGR office, currently called Intergovernmental Affairs and Public Engagement, is an important political and favor-dispensing office but not a vital node for state and local influence over presidential policymaking. There are periodic calls for a revival of the ACIR, but no such institution is likely to exist in 2020.

**Decline of Political Cooperation**

The old saying that “if you want a friend in Washington, DC, get a dog” applies to intergovernmental relations as well. Absent political incentives, federal officials do not have altruistic motives to cooperate with state and local officials. As Senator Carl Levin (D-MI) commented to this author in 1989, “there is no political capital in intergovernmental relations.” Since the collapse of the South as the bastion of states’ rights, the disintegration of the New Deal Democratic coalition, and the decline of the traditional party system in the 1960s, all of which contributed to the rise of coercive federalism, there have been fewer incentives for federal officials to embrace intergovernmental political cooperation.

Furthermore, certain interests, such as a coalition led by Americans for Tax Reform, have even petitioned Congress to terminate the exemptions from federal lobbying laws accorded state and local officials. The ATR also wants states to defund the National Governors Association, which it labels “another liberal lobbying group” (Ferrara 2005, 1).

**Federal-Court Litigation**

Coercive federalism has been marked, as well, by unprecedented numbers of federal-court orders and a huge increase in lawsuits filed against state and local governments in federal courts. In terms of the Court’s incorporation of the U.S. Bill of Rights, moreover, 59 percent of the selective incorporations occurred during the 1960s. Although federal-court orders dictating major and costly changes in such institutions as schools, prisons, and mental-health facilities have declined since the early 1990s, state and local governments are subject to high levels of litigation in federal courts, including various interests trying to block major state policy-initiatives through litigation. Furthermore, numerous judicial consent decrees, some of which can last more than 20 years, are another constraint on state and local officials. Decrees have become
a major means to guarantee state or local government compliance with federal rules in many intergovernmental policy areas, such as education, environmental protection, and Medicaid. The U.S. Supreme Court resurrected the Eleventh Amendment in the 1990s to restrain some types of litigation, but the reach of the Court’s decisions has been quite limited.

There are no indications that these trends will decline; instead, federal-court litigation could increase by 2020 as state and local governments cope with fiscal stress by terminating, reducing, reorganizing, and refinancing many services and programs.

**Staying the Course**

Some reformers argue that “it is essential . . . to adopt a new blueprint” for intergovernmental relations (Scheppach and Shafroth 2008, 72). There are good reasons to embrace this recommendation but little reason to believe that the desired reforms will occur by 2020. Federalism has not been prominent in presidential campaigns since 1980, and it is not a concern to most members of Congress. The Supreme Court mounted a mini-federalism revolution from 1991 to 2002 by issuing an unusual number of state-friendly rulings (Kincaid 2001), but the reach of those decisions is limited, and the revolution fizzled by 2002. Neither political party has principled or political stakes in federalism, and the Reagan federalists have joined Rockefeller liberals and Roosevelt Progressives in the graveyard history. The South no longer defends states’ rights, and few state and local officials defend federalism. What remains are episodic policy-specific skirmishes in which Democrats seek to preserve state prerogatives over certain matters that reflect their policy preferences, such as consumer protection and medical marijuana, while Republicans seek to preserve state prerogatives that reflect their policy preferences, such as abortion regulation and religious expression. On most policy matters, though, both parties seek to nationalize their preferences.

**The Cooperative Sinews of Coercive Federalism**

Despite the coercive character of intergovernmental policymaking, policy implementation is predominantly cooperative and offers state and local officials opportunities to negotiate with federal officials and secure concessions or waivers. For example, state resistance to REAL ID slowed and marginally altered implementation of the act and then produced more intense negotiations under the Obama administration. Similarly, the Adam Walsh Child Protection and Safety Act of 2006 imposes various requirements on the states. States that failed to comply by July 2009 risked losing 10 percent of their funding under the 1968 Omnibus Crime Control and Safe Streets Act. Because of state pressure (Goodnough and Davey 2009), the U.S. attorney general extended the implementation deadline to July 27, 2010.

Administrative cooperation has deep historical roots (Elazar 1962) that became more pervasively institutionalized during the era of cooperative federalism. One factor in the continuation of cooperative federalism is the federal government’s shift since the 1970s toward performance measurement and goal setting so as to emphasize outputs over inputs and, thereby, give state and local governments more discretion to meet federal objectives. Furthermore, the vast expansion of the federal government’s fiscal and regulatory regime has not included a comparable expansion of federal employees. The two million federal civilian employees, most of
whom administer purely federal functions, cannot micromanage state and local implementation of federal policies. Furthermore, there has always been substantial local discretion in implementing federal grants (e.g., Pressman and Wildvasky 1973).

The carrots and sticks of federal aid are important motivations for state-local cooperation with federal agencies. Additionally, some federal statutes associated with coercive federalism contain penalties aimed at uncooperative state and local officials. The courts also play an important role. Since the era of massive southern resistance to federal-court desegregation-orders, state and local officials have accepted the legitimacy of judicial intervention to resolve certain disputes or ensure compliance with federal laws. Ordinarily, too, federal executive officials negotiate and bargain with state and local officials before resorting to judicial intervention.

Furthermore, U.S. federalism is not one of executive federalism in which states are constitutionally obligated to execute federal framework-legislation. The federal government is generally expected to execute its own policies or to pay the states to do so and not to commandeering state and local officials. Consequently, federal administrators have incentives to cooperate with state and local administrators.

Because of similar professional norms and civil-service rules, most federal, state, and local bureaucrats focus on cooperative implementation within the rules and budgets given them. These administrators, moreover, often share the same education and training backgrounds, interact with each other in the same regional and national forums and professional associations, and forge personal relationships that facilitate cooperation. Although picket-fence, bamboo, stovepipe, and silo federalisms have been criticized for decades, these arrangements at least foster cooperative intergovernmental relations within policy domains if not necessarily across domains. Streamlining and cooperation across domains are frequent preferences of elected state and local officials and reformers, but not of bureaucrats, vested interest groups, and congressional committees.

Political socialization also fosters intergovernmental cooperation insofar as the policymaking dominance of the federal government for the past 40-some years has made coercive federalism a fixture of administrative life. State and local officials routinely view the federal system as one of levels of government in which the federal government is on top, states are in the middle, and local governments are on the bottom. Most have no conception of federalism as a system of both divided sovereignty and co-equally shared governance. Furthermore, many of today’s senior administrators entered government in the late 1960s and 1970s with a passion for reform, which most often meant nationalization.

State and local administrators also have incentives to cooperate with federal officials so as to maximize their budgets, their authority, and their ability to wrest concessions when necessary from federal officials. In addition, many state and local officials are advocates for their policy domain (e.g., environmental protection) and, therefore, often support federal intervention that advances their policy preferences. Furthermore, federal grants requiring state or local matches and federal regulations give state and local administrators leverage over their elected superiors.
Interest groups also foster intergovernmental cooperation because after having their policy preferences enshrined in federal law, they pressure state and local officials to implement those federal policies.

From a comparative perspective, cooperation also is facilitated by the absence of any major cultural, ethnic, religious, or linguistic groups or jurisdictions like Quebec, Catalonia, or multiculturalism in India that have incentives to frustrate intergovernmental cooperation. Likewise, partisanship is not a major factor in intergovernmental administration. Bitter partisan conflict occurs in the policymaking arena, but once policies are enacted into law, administrators generally leave partisanship behind.

The distinction between coercion in policymaking and cooperation in implementation is important because observers often confuse the two, leading to questionable generalizations about the system as a whole. The distinction also helps to explain apparent anomalies in the literature. For example, surveys of state administrators found a trend toward fewer perceptions of federal fiscal and regulatory influence in state administration from 1994 to 2004, leading the authors to conclude that the federal system has become less centralized and coercive (Brudney and Wright 2010). But this is not necessarily accurate because the results are consistent with increased administrative discretion in meeting federal objectives, an implementation trend that accelerated during Clinton’s administration. The administrators’ world of intergovernmental implementation is different from the world of intergovernmental policymaking.

Administrative cooperation is likely to continue into the 2020s, except that when one party is the majority in the federal government and another party dominates a majority of the states, there will likely be increased state resistance to more federal policies and greater state pressure on federal officials to negotiate more state-friendly implementation. Conflict could increase if fiscal pressures compel state and local governments to curtail social-welfare programs in ways that run afoul of federal rules or lead state and local political opponents to appeal for federal intervention. Tightened fiscal conditions might induce greater conflict and competition among state and local administrators as well, which could reduce intergovernmental cooperation. An unknown factor is whether economic conditions will motivate more people to seek government employment not for reasons of public service but pecuniary security. As more baby-boom administrators retire during this decade, individuals with quite different administrative temperaments could replace them.

Shades of Dual Federalism in State Activism

The expansion of federal power first associated with the rise of cooperative federalism led one observer to predict an era of permissive federalism in which the states’ powers would rest “upon the permission and permissiveness of the national government” (Reagan 1977, 163). This characterization is not quite accurate because one of the remarkable aspects of the rise of both cooperative and coercive federalism has been the absence of amendments to the basic constitutional structure of the federal system (e.g., Ackerman 1991); nor has there been any change in the constitutional premise that the federal government can do only what it is permitted to do while states can do whatever they are not prohibited from doing. Constitutionally, the
federal system remains dualistic. Although the federal government has expanded the scope of prohibitions under coercive federalism, states do not need federal permission to exercise powers still reserved to them by the federal Constitution and silences in federal law. Consequently, state and local governments have constitutional room to expand their policymaking.

The oft-noted resurgence of the states and state-local policy activism are partly the result of state-local capacity building, which occurred under cooperative federalism, partly with federal assistance and partly because of the need to comply with the burgeoning plethora of federal programs. The rise of coercive federalism further compels state and local governments to maintain enhanced capacities, which invariably spill over into areas of state and local policymaking and innovation.

Contemporary state and local activism also is both a response to and a stimulant of coercive federalism. It is a response to coercive federalism insofar as state and local governments have resisted some federal policies and also sought to fill federal policy voids. State and local government reactions to coercive federalism first became especially notable during the Reagan years. Under coercive federalism, both liberals and conservatives often seek refuge in state and local policymaking when they cannot achieve their objectives through federal policymaking. For example, the American Life League maintains that: “You can do a lot more in the legislatures than on the federal level right now” (Associated Press 2003). By contrast, according to the liberal Center for Policy Alternatives, “states are now the vanguard of the progressive movement” (Cauchon 2003). Similarly, an editor of the country’s oldest leftist magazine catalogued recent liberal state legislation and urged liberals to pursue policy goals through the states (Huevel 2005). However, such activism also stimulates coercive federalism because opponents of activist liberal and conservative state and local policies seek federal intervention to override or tranquilize hyperactive policymaking. In another ironic twist of coercive federalism, the states have been praised as laboratories of democracy, but this implies that state and local officials are little more than lab rats because policy innovations regarded as politically successful are nationalized. As President Clinton commented, “if something is working in a state, I try to steal it [and] put it into federal law” (1999, 26).

This political tug of war over policymaking is likely to continue into the 2020s and could produce intergovernmental conflict if elected state and local officials chafe even more at federal constrictions of their policymaking authority.

Conclusion

The intent of this analysis has been descriptive and explanatory, not prescriptive or normative. Whether coercive federalism is a net benefit or injury for Americans has not been addressed here. Instead, this analysis has sought to describe and, to a limited extent, explain the contemporary federal system.

If the analysis is accurate, then different presidents, congressional majorities, and judicial majorities will continually inject policy changes into intergovernmental system, leading various observers to predict more new federalisms between now and 2020, but the overriding patterns of behavior into the 2020s are likely to be continued coercive federalism as the dominant
policymaking motif, while policy implementation will likely remain largely cooperative and state and local governments will maintain activist agendas, partly out of sheer necessity because of fiscal exigencies. The rise and maintenance of all three of these facets of American federalism have been supported (and opposed at times) by both political parties and by the myriad of interest groups that have proliferated throughout the federal system since the 1950s.
References


Managing Externalization: New Intergovernmental Role of Public Managers

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Paper prepared for IGR 2020 Symposium, NAPA/ASPA, San Jose, CA, April 2010
Managing Externalization: New Intergovernmental Roles for Public Managers

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Just after the November, 2008 elections the Federal Systems Panel of the National Academy of Public Administration (NAPA) transmitted to the incoming Obama Administration an “Intergovernmental Agenda” that called for a sea change in federal-state-local relations. It emphasized an end to relations that were far too often top-down, coercive and dysfunctional, towards a “willingness to restructure intergovernmental management across the federal system-a restructuring based on collaboration rather than command and control” (NAPA, 2008). Citing challenges in healthcare access and cost containment, adequate response and recovery to natural disasters and terrorist incidents, recovery of housing markets, reduced energy consumption, and investing in housing and physical capital, along with expanded employment opportunities, the NAPA panel called for means of developing genuine partnerships that include consultation and involvement of state and local governments at all stages of the policy process.

This panel essentially recognized that no longer can intergovernmental programs be administered separately, but have become highly interactive or interdependent. It recognized the need for new ways to manage, superseding earlier models of “cooperation” in federalism, where each level more or less acted independently after some less formal forms of consultation (Grodzins 1966). Today’s public administrative agencies are indeed intergovernmentalized to much greater degrees than they were a half-century ago. As a result, they must become
conductive, as managerial roles shift towards rapid externalization through a variety of governance (Kooiman 2004) tools that shift attention “from hierarchic agencies to organizational networks” (Salamon 2002:11).

The resultant shift from interacting hierarchies to networks suggests that intergovernmental management (IGM) must add “relational management” dimensions to more traditional or standard working within the hierarchy and across organizational lines. As will be demonstrated, in the past century or so intergovernmental relations (IGR) have gone through four eras: 1) building of the integral state/legal connections, 2) welfare state interdependency (particularly grants, regulations), 3) the contracting state and emergence of NGOs in government services operations, and 4) the current era of the network, where a more interactive management is evolving. All four phases are currently active, placing considerable emphasis on both internal and external management. Today, the IGM challenge is to organize the inside game so as to operate outside of the agency.

This provides a number of interesting management strategies that are changing the role of the manager who works externally. After examining the transformation of IGR/IGM, this paper focuses on seven core features or principles of practice in the era of interdependence and collaboration: organizing structures to maximize conductivity, understanding inter-jurisdictional politics, promoting and partnering in networks, attracting creative human resource bases, pursuing joint knowledge and knowledge management strategies, supporting the construction of intergovernmental management communities of practice, and dealing with new challenges in citizen engagement. The paper then takes a brief look at who among the network is most responsible for each activity and what these activities mean in practice. While emergent, the practice principles do not necessarily substitute for traditional management roles within the
hierarchy, which continue. These approaches emerge in the practice of IGM, and as they are
developed they will put dual internal/external knowledge/education pressures on public
administration scholarship to address both the old and the newer management of externalization.

Four Waves of IGR

In previous work (Agranoff 2010) four major managerial epochs of IGR development are
identified: legal and political, welfare state interdependency, government/NGO partnerships, and
the network era. These epochs somewhat overlap with the federalism-IGR-IGM historical
patterns and phases recently refined by Wright, Stenberg and Cho (2008: 48), but look more to
the shifts in paradigms, policy emphases, normative and bureaucratic concerns added by each
era, in as much as it is maintained that these are cumulative concerns that make contemporary (or
post-modern) IGR/IGM complex.

The first epoch, law and politics, emerged with the building of the integral nation-state,
primarily in the nineteenth century, where legal distinctions of governmental isolation and
“jurisdiction” held true, particularly in federal countries like the United States. Generally,
responsibilities were separated and isolated. The dual federalism doctrine held that the national
government and the states each were sovereign in their respective spheres and that between them
exists areas of activity in which neither can enter. While there is reasonable evidence that
completely separate spheres never existed in practice (Elazar 1962), the legal distinction and
intergovernmental norms of separation held for some time, despite the fact that by the middle
1800s modern communications, which required a series of local delivery units (postal units,
roads, canals, railways) and cross-links, pushed jurisdictional separation to its limits.
This situation changed from the early 20th Century to roughly the 1960s when the welfare state ushered in the second epoch. It marked a time of a growing and more professional national government in the U.S. that also included a growing interdependency that linked subnational and central governments (Skowronek 1982). In particular, the welfare state was very much of a top-down effort that enhanced the fiscal and program strength of national governments everywhere (Loughlin 2007: 389). Most central social policies (welfare, social services, employment, economic development) were polity-wide because central governments were suspicious of universal local commitment, so national financing and programming was linked with local commitment (Ashford 1988: 18). Later in the era came newer social welfare programs, for example drug abuse, child and family abuse, mental disabilities and new efforts in community development, which were less suited to central organizations, bringing on the need for “important intergovernmental adjustments” (Ashford 1988: 19). The resulting impact was considerable jurisdiction overlap (Watts 1999: 38) and the quest for integration or related services to attack nettlesome problems (Agranoff 1991). One study identified the situation as a complex of: 1) central policy control/subnational administration, 2) central normative/subnational functions/control, 3) shared powers, 4) joint powers, or, 5) some asymmetrical arrangement (Argullol et. al. 2004). In regard to the U.S., the welfare state may have been slower to develop but today these interdependencies extend well beyond social welfare into such other areas as public security, tourism and culture, environmental policy and public education.

By the middle of the twentieth century governments began to recognize the gradual introduction of organized actors outside of government as also involved in funding and programming. These nongovernmental organizations (NGO) began to become agents and
partners of the state. Through some grants but predominantly by contracts government linked with non-profit service agencies and for-profit vendors of services. In the case of non-profits they had been around for decades but the boundaries of the state expanded to include them in various forms of externalized direct services delivery, a sort of government “for hire” (Smith and Lipsky 1993: 5). For-profits have always been part of government procurement, and certain basic services like building security and road building were regularly contracted out, but now such direct government services as public health care, services for the disabled, vocational rehabilitation, mental health, substance abuse, family violence along with finance and accounting services and other management functions are contracted out. Just as the welfare state philosophy once expanded the role and number of involved governments, beliefs in the primacy of market forces, reduction and importance of the public sector, deregulation of state controls, and abandonment of the principle of equality led to a prevailing political view of a more “minimalist” state, with less direct government intervention in the economy and society (Loughlin 2007: 390). “Market superiority” that could either provide for the needs of people or a market-model of government services that could provide greater efficiencies than by public operation prevailed as an attitude. This also was the era of the new public management (NPM), with heavy borrowing from the private sector, with its benchmarking, performance targeting, competitive bidding, outsourcing, and the like, all of which reinforced IGR by government/NGO partnerships. Moreover, in the last two decades of the 20th Century contracting out also began to involve new non-service support sectors: client case management, information management, transportation support, public marketing and legal representation. As a result, both the direct service and support sectors led to new sets of alliances between governments at all levels and a host of public and private bodies: service delivery non-profits and private businesses, law firms,
finance management firms, banks, and insurance companies. As a result, “the public administration problem has spread well beyond the borders of the government agency” (Salamon 1995: 2).

The fourth and currently developing IGR network era gradually emerged out the previous era and became fully acknowledged in the first decade of the 21st Century. It has been dubbed as a world where everything is connected in networks (Castells 1996). Currently people connect in many ways: electronic based social networks, networks that operate for purposes of manufacturing, the Internet links millions of end users by satellite-transmitted narrowcasting, and networks link sellers and buyers in a host of ways. Public agencies and NGOs also network for purposes of exchanging information, enhancing one another’s capabilities, to smooth services interactions and to solve policy/program problems (Agranoff 2007). In some ways intergovernmental networking began as a parallel activity to contracting, where funders and their agents began to build contractor-government networks (Brown and Potoski 2004; Van Slyke 2007). Why should IGM be any different? Actually networks of local government, business associations, and economic development agents have worked among themselves at the community level for some four or five decades and these entities have had extensive links with higher level governments in order to secure support to promote local economies (Agranoff and McGuire 2003; Eisinger 1988; McGuire 2002). While by no means replacing bureaucratic organizations networks need to be treated seriously in public management. They are defined by O’Toole (1997:45) “as structures of interdependence involving multiple organizations or parts thereof, where one unit is not merely the formal subordinate of the others in some larger hierarchical management.” What is the most interesting about the emergent set of intergovernmental networks—and what makes them different—is the way officials from the
federal government, state governments, local governments, public and private universities, and NGOs representing the non-profit sectors are challenged to sit down with one another at the same table to discuss, explore, negotiate and solve issues (Radin et. al. 1996). In earlier days, the most visible intergovernmental interactions tended to be bilateral and focused on government-to-government or government-NGO transactions. The network approach is clearly multilateral, collaborative and attacks issues that transcend bilateral intergovernmental concerns.

Figure 1 highlights some major features of each era, including the dominant paradigm, the directional focus, politics and policy emphasis, normative characteristics, judicial concerns, primary type of administrative organization, focal administrative tasks, and IGM transactions and styles. Without describing every single cell, the progression is clear. From integrating subnational governments into nation-states IGR has moved into collaborative models of meta-governing. The directional concern has moved from compartmentalization to top-down flows of programs and monies to recognition of the need to build horizontal systems. Politics has moved from the advocacy and launching of new programs to a more detached state, to multiple party involvement in basic decisions. From legislatively divided responsibilities the system has evolved through national-local programming to externalization to recognition of the need to connect operationally. Judicial concerns have moved from articulating the appropriate powers of different levels of governments to those of public sector powers to the defining of individual rights. Bureaucracies dealing with intergovernmental programs have been transformed from hierarchical data gatherers to administrators of grants and contracts, to involvement and review
and audit all sorts of learning strategies outside of conductive agencies that require both internal and external structuring. IGM transactions now include reports, intergovernmental instruments, audit and measurement approaches, and work in joint learning and problem solving. In terms of style, there is not only review and legal maintenance, but bargaining and negotiation, partnerships and working connections.

Keeping in mind again that all three previous eras remain are also alive and in practice along with that of the network, the paper now turns toward challenges while managing IGR, with a focus on the IGM related skills related in the fourth or network column of Figure 1.

Seven Challenges of Management

A decade ago George Frederickson (1999:202) reminded the field that “The most important feature of contemporary public administration is the declining relationship between jurisdiction and public management.” This is primarily compounded by the externalization processes previously identified but also by the additional pillars of increasing decentralization and internationalization (Keating 1999), two issues that also contribute to the current challenges but are beyond the scope of this paper. IGM requires, as Agranoff and McGuire (2003) have demonstrated, the best skills of collaborative management. So how does public management recapture its role in this complex of intergovernmental and external networking? How does one manage intergovernmentally in the network era? What tools and skills can be used to manage across so many levels of government and sectors? Seven strategies or practice principles that can contribute to these aims are offered as a beginning.
1. Organizing Structures to Maximize Conductivity

This core challenge is quite straightforward: internal operations need to be positioned for external work. Fewer public agencies, particularly state agencies (and longstanding for many federal) are involved in operating direct services to the public or program clients. The vast state human services bureaucracies with thousands of state institution employees, for example, have given way to bureaucratic units that handle and oversee purchase care grants, contracts, and/or federal pass-throughs (or matching in the case of the huge Medicaid) primarily with federal and matching dollars. Delivery of services is mostly by vendors or community agencies. This means the government agencies must be geared conductively to work with a growing number of external partners.

The conductive organization to Saint-Onge and Armstrong (2004:213) is “an organization that continuously generates and renews the capabilities to achieve breakthrough performance by enhancing the quality and flow of knowledge and by calibrating its strategy, culture, structure, and systems to the needs of customers and the marketplace.” While geared to business organizing, Saint-Onge and Armstrong identify organizational processes that include building external partnerships, forming alliances and coalitions, forming teams that can cross organizational boundaries and collaborating to actively manage interdependencies:

The capability to effectively manage complex partnerships is growing in importance as organizations are reconfigured. Organizations are becoming more and more involved in complex value-creation networks, where the boundaries between one
organization and another become blurred and functions become integrated. It’s becoming a critical organizational and leadership capability to be able to create and leverage participation in network-designed and delivered solutions (191). Subsequent analysis will demonstrate that it is usual for the professional and managerial staff to collaborate, learn, share, and execute their responsibilities.

Also, Saint-Onge and Armstrong point to several organizing possibilities, including appointing managers who have functional responsibilities across subunits, creating an organization wide performance perspective, establishing strategic capabilities units to promote flow between organizations, establishing client services units, branding as a practice to link internal to external functions, creation of knowledge teams and the establishment of functional units rather than by traditional division of labor authority units (Chapter 8).

Public agencies that are heavily involved intergovernmentally have already or need to contemplate these types of organizing moves. Several states, for example, have set up Medicaid policy offices, originally developed to oversee payments processing but now that Medicaid additionally funds a broad array of elderly and social “medically related” services their roles are much broader, to work with external providers in creating data bases and information systems, to oversee federally-required performance expectations, to study potential linkage systems, and now to network with larger providers and state associations interactively to assess and improve joint managerial concerns expected by Medicaid. In contract management the contract document is not enough. Contracting for services involves a complex form of linkage (Brown, Potoski, Van Slyke 2005) that requires planning for performance assessment, staff training, ability to evaluate
contractor staff capability, evaluation of contractor financial management activity, and understanding contractor/subcontractor relationships and policies (Romzek and Johnston 2002). Standards of service delivery or quality standards, now required of Medicaid and an increasing number of other federal programs, along with state government public health standards for contracted residential services and outpatient clinics, poses another set of interactive challenges for organizing. Finally, one could also add concerns for quality improvement (measuring client achievement of goals against program aims) and contract data reporting as additional challenges (Bradley and Mosely 2007).

Each of these functions suggest several common organizing themes. First, intergovernmental work is both highly multi-actor and conductive. It almost always invokes the need for coordinated federal, state and sometimes local programming and multiple external provider activity. Second, IGM has a policy/programming dimension that combines regular federal program input with state administration/regulation, only now the policy must incorporate the reality of implementation by new armies of providers/contractors. Third, each involves working understandings and assessments that includes at least two levels of government and a series of NGOs, before the service meets the clients, that must be configured on the basis of extensive interaction. Respective roles and accountabilities cannot be left to chance. And fourth, the role of the public agency now involves heavy doses of shared administration of a services arrangement/assessment that is replacing earlier era end of program review or some service delivery oversight role. It calls for different organizing, away from that of hierarchical programming/command and control. Organizing conductively increasingly entails positioning the agency to work outside on partnered information, knowledge and assessment and less inside on top-down running programs. These keys are elaborated in subsequent analysis.
2. Understanding Interjurisdictional Politics

Understanding and use of political knowledge has been part of the IGM lexicon for some time. In the 1980s the author’s study of metropolitan human services (Agranoff 1986) revealed that “governmental actors appeared to be successful when they recognized the political nature of their task. In the process of working out solutions to problems, politics – both partisan politics and interorganizational politics – must be explicitly acknowledged.” (7). With externalization the game of interorganizational politics is expanded, not only to include new service provider agencies, but to a host of “industry representatives” who are the administrative as well as the program advocates for their services providers members/affiliates. The politics of IGM today includes the long standing federal agency (e.g. regional office), state program administration, grantee and much more, in as much as the delivery system has become part of the managerial political subsystem.

The myriad of potential political points in IGM will be illustrated by taking a look at the network of actors in state level intellectual and developmental disabilities (ID/DD) (e.g. mental retardation, autism, cerebral palsy). States are built on common patterns of ID/DD politics, involving a number of actors/stakeholders in funding and in services systems development. To begin with in government at the federal level there would be the Offices of Rehabilitation Services and Medicaid. Most federal contact would be at the regional office level.

Most of the political action, however, is at the state level. First is the state administrative cabinet leadership in human services, along with two key bureaucratic offices, the state office of Medicaid and the state Developmental Disabilities Office. In some states the latter is blended
with Mental Health. Second, there may be an overhead agency as well, such as state budget bureaus or specialized agencies like Indiana’s Bureau of Quality Assurance, which monitors and evaluates the non-Medicaid or the state portion of programs (Medicaid does its own monitoring). Third, are state legislative actors/leaders and state budget offices that have important policy roles. Indiana, for example, has separate standing Mental Retardation/Developmental Disability and Autism legislative study commissions. Each state also has a Governor’s Council on Developmental Disabilities, a study and advocacy group that is federally funded. Related, within many states are university-based research and service units, that are partially federally funded as part of the Centers for Excellence program. Finally, there are state and federal courts that adjudicate individual and class action programs, forensically impacting services.

Externally the field is diverse in nongovernmental organizations. There is the provider community, a fourth dimension, which is an industry of rehabilitation facilities, day programs, nursing homes, case management organizations, and the like. Some agencies are quite large, with thousands of employees and budgets in nine to ten figures. The non-profit agencies that make up the bulk of this cadre also have citizen boards who represent their communities. Fifth, are the industry trade associations and client advocacy interest groups, such as state association of rehabilitation facilities and the state ARC organizations (formerly association for retarded citizens). Each state association tends to include for-profits and non-profits together and assess dues payments based on their member agencies budget size. Today, they are heavily engaged in administrative as well as legislative liaison. Sixth, are the families/guardians/advocates of the ID/DD themselves, many of whom take an active role on behalf of individual clients and programs in general. Many are also members of the ARCs of their state. Seventh, there is a workforce in each state, including a dwindling number of state facility workers, but a growing
army of NGO direct care staff in the hundreds of thousands. In many states they remain as a substantial political force, particularly when they are unionized.

In ID/DD, as services expanded outside of government, network leadership at the state level is taken in many states by state officials, legislative leaders, industry lead associations and advocacy groups working together. One could make a similar lineup of potential political actors in other policy arenas, for example emergency management, transportation, economic development, rural development, and many other phases of human services.

While not all of these actors may be involved in the details of administrative politics many are. Carrying forth the ID/DD example, in Indiana the Indiana Association of Rehabilitation Facilities (INARF) and Indiana ARC regularly sit at the table with the state agencies (Family and Social Services Administration (FSSA) Office of Developmental Disabilities, Aging and Rehabilitation Services (DDARS) and Office of Medicaid Policy) to design major moves. In 1997-99 FSSA—DDARS and Medicaid Office—INARF, ARC and several other ID/DD representatives drawn from the network developed a “person follows the funding” plan to move clients from state hospitals to community settings. Over $39 million in state dollars moved, along with Medicaid funds. This 317 Plan, as it was called, was the first of several network derived program changes. In 2009 the four powers (ARC, INARF, DDARS and Medicaid Policy) worked together on several administrative changes, particularly to review and revise an FSSA generated resource allocation model called OASIS (developed by a contractor). In the negotiations OASIS was suspended and a different means was agreed to in moving potential clients off the wait list, a new allocation model was agreed to for day services, behavior management services funding levels were maintained, and adjustments were made to expand funding for those persons needing 24/7 coverage. Additionally, the four agreed that proposed
OASIS rate reduction changes would be held until after one full quarter of billing experience. Finally, the OASIS uniform rate methodology was put in permanent suspension. One of the key players in this scenario then related that “We have accomplished enough work with our small group and reached a point where we can begin bringing more people into the process…Within the next few weeks work plans to address the major issues related to retooling the model…[including] opportunities for consumer, family and provider input in several key areas” (INARF/ARC 08/09/09 Email). In the area of conductivity this is the way that the politics of IGM often play out, where the devil of the administrative details are not only at stake, but at very high stakes for the providers, industry associations, and advocates as well as for the government agency. As long as this type of IGM operates by network, the expanding politics of programs are at the forefront of management.

Externalization has therefore opened up the politics of IGM to many more players who do more than “lobby.” They jointly administer. In the old days of grants, for example, it was enough to know the two or three level government agencies and the grantees. No longer. It involves a whole spectrum of actors and organizations. In the ID/DD example above a total of eight state level categories were involved and they represent hundreds of interests and over twenty major actors in the system, many of whom are regularly interacting on most issues. It places a considerable understanding burden on the intergovernmental manager to have a working familiarity with subsystem politics and administrative operations—two concepts that today can be highly fused. As administrators engage in such politics it is important to know one’s network as program, its requirements and its pressure points.

3. Promoting and Partnering in Networks
One clear transformation for the intergovernmental manager is that of network promotion and involvement, a shift from more passive review roles. Building on previous activities involving grant application preparation and review, informing potential grantees and checking awardees on legal compliance, overseeing grantee program intent, program and fiscal auditing, and the like, externalization brings the bureaucrat into the network. Previously, for example, if there was no controversy it was acceptable for public involvement provisions to unfold at the community level and awarding/compliance officials could review a written report on the process, normally a locally produced summary. Now that process involves delivery agencies, some of whom are in direct competition, IGM passiveness is no longer appropriate. As the ID/DD example in the previous section suggested, the network is complex and it does more than carry out guidelines established by the funding government. Actors including executants participate in operationalization, i.e. making policy program adjustments in the field as problems are approached. It is a stage where the input (legal and other) of government must be injected, promoted, and often protected. Hence, the government IGM manager must be in the network, both as organizer and as a party to any agreements reached. This is clearly what Wondolleck and Jaffe (2000) found in their study of environmental collaboration, where federal and state administrators were routinely and directly involved in the IGM networks they studied, normally in some lead role.

IGM networks need to be held accountable for delivering on their objectives, and their leadership’s responsibility is to ensure that systems and structures are in place that enable the members of the network to collaborate, learn, share knowledge, and execute their responsibilities. The network’s output is the generation of capabilities (Saint-Onge and
Armstrong 2004: 191). Leaders are key, particularly “champions,” who often are heads of key government agencies. They sustain organizational commitment, along with “alliance managers” (head of major organizations) who enable people to work together efficiently and role model trust and collaboration (Holbeche 2005: 179). IGM network leaders then are responsible for generation of capacities, promoting the flow of knowledge within their organizations and between organizations, synchronization of the key organizations, examining mutual capabilities, and calibrating organizing structures to external needs. Finally, for staff program managers a set of skills for working across boundaries are recommended: ability to deal with ambiguity, an open and flexible attitude and style, ability to build on one another’s expertise, an experimenting spirit, negotiated and understood means of communication, creating agreed-upon means of communication and decision-making, building trust and taking judicious risks. These are the working managers’ skill set, a well-established repertoire of working across organizations/jurisdictions (Holbeche 2005: 180-181).

The call to IGM action is simple in principle while daunting in practice. It involves the need for public agencies and their managers to reinvent themselves by encouraging the creation and flow of information across public agencies and outside or government into the ability to take concerted action. Clearly, the existing deep involvement of public managers as alliance managers in generating partnerships, networks, challenge grants, venture capital pools, and contract for services programs, along with electronic information networks, underscores this role. In transportation, for example, Metropolitan Planning Organizations (MPO) have for sometime pooled federal, state and local officials with local private sector and citizen input to make area wide long range plans for intermodal transportation. MPOs have brought in “an entirely new cast of players” where “expectations were raised very high by the promise of coordinating federal
programs and leveraging multiple funding pots” (McDowell and Edner 2002: 22). Together, these interests have built new transportation models and have identified state-of-the-art best practices at the community level and have promoted interactive networking. These MPO partners did not automatically come together, they were leveraged by elected and administrative leaders. IGM managers are in pivotal positions to perform such convening actions. As a result, today’s bureaucrat cannot wait to read about networks of agencies in the newspaper, latest trade publication or journal or for NGOs to seek them out. Rather than waiting to react, they need to look for and include potential stakeholders that can transform human capital into live systems of problem identification and solution (Bryson and Crosby 1992). The public manager needs to provide key supportive assistance and participation as champions and alliance leaders.

4. Attracting and Maintaining a Creative Human Resource Base

Champions and alliance managers need operating staff—program managers and technical specialists—who can go beyond their focused program interests and narrow specializations and work across the boundaries of their jurisdiction/organization to investigate difficult problems and discover/adapt solutions. At one time professional ability in a given program was the primary concern for managers in intergovernmental roles. Mental health/disability professionals in psychiatry, psychology, social work, rehabilitation or special education were key. Engineers and planners administered transportation, public works, and planning departments. Accountants and other finance specialists worked in finance departments. As so on. This is highly unlikely to change in great measure with regard to staffing particular programs. Now, however, these positions are faced with new demands. Working the network involves what Reich (1991: 229-
He identifies four critical skills for today’s type of problem solving: 1) the capacity for abstraction; 2) systems thinking, or seeing reality as a system of causes and consequences; 3) a willingness to engage in experimentation, and; 4) possessing a capacity to collaborate.

One of the greatest managerial challenges today is to recruit, retain, and develop those human resources that can maintain their specialties, be true to their jurisdiction’s intergovernmental program, and engage in symbolic analytic work. It is crucial in this interdependent world because this latter symbolic analytic phase of managerial work has “…an interactive, collaborative approach to work in which patterns (of observation and supervision) are more difficult to discern. They may deny that this work has any structure at all—‘every day is different’” (Davenport 2005: 65). In this sense this aspect of human resources involves the way that staff convert knowledge that is transacted across jurisdictions and modified through deliberation that the agency needs to capture from those “invisible assets” that reside largely in the minds of humans, requiring less strict supervision and with “worker” and manager working side-by-side.

The rules of supervision for this type of knowledge worker are different. According to Davenport (2005: 192-201) they entail: 1) participation by managers in the work instead of overseeing work; 2) from organizing hierarchies to organizing communities; 3) retaining workers rather than hiring and firing them; 4) building knowledge skills rather than manual skills; 5) assessing invisible knowledge achievements instead of evaluating visible job performance; 6) building knowledge-friendly cultures instead of ignoring culture; 7) fending-off bureaucracy rather than supporting it; 8) relying on a variety of human resources, wherever they may be located, instead of exclusive reliance on internal personnel. These principles of human resource
management clearly apply to those public agency employees who do today’s IGM work out of
the organization with others on joint resolution of issues and problems. Thus, the new
intergovernmental manager represents the aims and requirements of the home agency’s program,
builds the interagency community, and works with staff to create new knowledge based
solutions.

5. Joint Knowledge, Knowledge Management

A great deal of the interactive work in networks among intergovernmental partners is to
seek new ways to reach solutions to the most intractable of problems. It not only requires the best
work of problem solving managers and specialists from different organizations but the best work
to design and operate forms of knowledge and its management that can assist in solution-
seeking. For example, in the area of environmental management, effective interactive multiparty
land use planning and zoning normally follows extensive studies of regulatory policy, current
use, environmental threats, agricultural practices, water quality assessments and many other
means of information gathering.

The key is knowledge—“a fluid mix of framed experience, values, contextual
information, and expert insight that provides a framework for evaluating and incorporating new
experiences and information” (Davenport and Prusak 2000: 5). The aim of knowledge
management (KM) is “identifying, extracting, and capturing ‘knowledge assets,’” in order to
fully exploit them toward accomplishing some goal (Newell et al. 2002: 16). Knowledge is
broader, deeper, and richer than data or information. It is highly mutable and highly contextual
but with greater utility, in that it incorporates experience, insight, and contextual information as
well. Knowledge is more than facts or data. It is within people, part of the assets of the human capital that is so important in contemporary activities, including all types of management. Indeed, it is intrinsically human. “Knowledge derives from information as information derives from data. If information is to become knowledge, humans must do all the work” (Davenport and Prusak 2000: 6). In effect, knowledge is both a process and an outcome. In the public sector one would use knowledge to solve problems and thus to add some public value (Moore 1995).

Interagency networks are important vehicles of KM. Knowledge itself depends heavily on collaborative action, or what social network analysts call “connectivity.” Problem solving and creative discovery depend heavily on dynamic interaction among people, particularly at strategic points in social networks (Cross and Parker 2004: 8). That is why so many different actors in IGM seek to manage knowledge. Shrage (1995: 33) defines collaboration activity as shared creation, that is, people working interactively on a process, product, or event. One network activist related that, “Workgroups on various technical issues is the way we learn and grow; integrate new people into our process…and while we don’t codify process we rely on the institutional knowledge of a lot of people” (Agranoff 2007: 173).

In IGM networks Agranoff (2007: Ch. 7) found that most of the 14 networks studied followed a five step order for managing interagency knowledge:

- Integrating existing (organizational) sources of information and/or external databases. Networks exist to some degree to share information.
- Conversion of existing information that is most essential to those forms of explicit knowledge that are useful to the network; inventories, map libraries, program evaluations, planning studies, fact sheets and practical guides, poll results, conference proceedings, funding studies, market studies, long-range plans.
• A less systematic look at tacit issues or “what we don’t record;” issue discussions, consultation report discussions, workshops, best-practices books, internal task groups (as communities of practice, project panels, advisory committees, technical presentations, hands-on outreach or how to sessions, community visitation teams, conferences and workshops, working manuals, circulated committee notes, public hearings and forums, expert roundtables and information dyadic or small group exchanges.)

• Some networks have formed KM programs whereas others are less structured; providing a vehicle to share knowledge, facilitating study groups, special committees, workgroups as communities of practice, promotion of peer networking, compiling reports, evaluation of network program sessions, organizing joint operations, shared staff, promoting workshops, organization and operation of mapping programs and decision models, and cross-agency analysis of service requests, referrals and client dispositions. Most important these approaches are rarely codified and are almost always geared to the solution of particular problems agreed upon by the collective actions of the network.

• Knowledge is also fed back into network participant organizations for their internal use; data sets, consultant reports, public forums, conversion of science into educational programs, technical exchange sessions, web postings, legislative decision-making reports, reports useful to administrative agencies, and fulfilling data needs and services modeling for small governments with lean or no analytical staff.

In today’s IGM all of the public agencies and NGOs have a stake in this game as the sources of data and information are widely distributed in the network. In this way intergovernmental actors in networks seek new ways to discover, organize and adapt approaches to the wicked problems that they are approaching.
6. Supporting the Construction of Communities of Practice

Knowledge needs to be converted into practical interorganizational solutions by network-participants, another form of the shared creation identified in the previous section. Building high-quality intergovernmental relationships now comes in part through establishing interdisciplinary groups of problem-solvers. It is common practice for conductive agencies to deliberate through the building of communities of practice and taking advantage of epistemic communities. For example, the United States Department of Agriculture/Rural Development state program offices broaden their loan, grant and housing development programs for small towns to include participation in a number of working groups with state government and NGO officials in such key rural problem areas as value-added agriculture/agribusiness, adaptation and transfer of technology, and venture capital sourcing for business development. To a great extent these groups operate as communities of practice, that is self-organizing systems that share the capacity to create and use knowledge through informal learning and mutual engagement (Wenger 2000). Most communities are self-organized and bring in new knowledge bearers when needed, from wherever they can be found. With regard to intergovernmental programs they normally involve participants from all three levels of government and the non-governmental sector. For example, the thirty plus state Rural Development Councils, operative from the late 1980s, operate very much like intergovernmental communities of practice (Radin et. al. 1996). Maintenance of such communities requires effort to keep different types of knowledge bearers in, by challenging busy people with solving important public problems and by calling on their experience and know how in an interdisciplinary manner, yet another emergent challenge.
Community can be facilitated by mobilizing a multiagency group of professionals who normally come from different disciplines but share common outlooks and similar solution orientations. In many cases these persons may not be the top level administrators but are in possession of high levels of multidisciplinary expertise and program experience. Haas (1992: 3) suggests that these persons can represent a variety of disciplines and share normative and principled beliefs which provide a value-based rationale for social action. They also tend to share causal beliefs, notions of validity, and a common policy enterprise. An epistemic community normally works toward the production of consensual knowledge. Even in the face of anomalous data the community may suspend judgment in order to maintain their scientific legitimacy, maintaining for the moment its power resources (Hass 1990: 55). Imperial’s (2004: 17) study of collaboration in three estuary management programs allowed the groups of interdisciplinary actors, most of whom were technical staff, to not only reach key mitigation agreements based on shared goals, but to secure jurisdictional commitments, to synthesize monitoring information on threatening conditions, and to establish joint reporting processes that assess partners’ collective programs toward shared goals. These experiences demonstrate that epistemic communities can be important knowledge sustainers, as they can have a disproportionate effect on organized learning and behavior, and even though epistemic community members may not always constitute the most powerful decision-makers, they “are well situated to provide a driving logic for cooperation” (Thomas 2003: 41). Bringing together the intergovernmental community for this type of enhanced deliberation suggests that to be an intergovernmental administrator is to be a partner in one or more communities of practice.

7. Dealing with Citizen Engagement
The more or less long standing traditional function in IGM of requiring evidence of
citizen involvement for program approval now extends various form of citizen engagement in
(e.g. beyond holding hearings) in an era where direct services are increasingly delivered by
government’s grantees or contractors. Moreover, in the network era, citizens/citizen groups do
more than interact and petition the public agency, they are part of the network. As “complex
adaptive networks” (Booher 2008) citizens/citizen groups place their issues into the public
sphere everywhere from the point of program decision to the point of service delivery.

The overall issue of civic engagement in government programs is beyond the scope of
this paper, and has been covered many places in the literature (e.g. Bryson, Crosby, and Stone
2006; Cooper, Bryer, and Meek 2006; Forester 2009; Fung 2004; Smith and Ingram 2002). One
important starting point is that, contrary to the held beliefs of many, federal program and/or court
action have encouraged many grass-roots citizen efforts, as popularly rooted voluntary
organizations have “grown” in a mutually beneficial relationship with federal programs (Skocpol
1998: 39-40). The case of local Community Action Programs around the country is one example.
In this and other cases bottom-up local efforts, citizen boards and joint administrative private
agency executive/citizen efforts, along with partnerships and multiagency alliances, help to break
through the “towering bureaucracies of elites and experts” who have vested interests beyond the
interpreted by the federal courts, has led to strictly enforced rights of handicapped individuals
and/or their advocates/families in a direct role in the disposition of any course of treatment and
residential placement. This means that at the point of service, the client/advocate must not only
have some role in the course of action but must also agree to any services. At least potentially
this puts the client as citizen directly into the service network and is an actor in intergovernmental programs. It has led to a new theme in the issue of participation: how does one achieve citizen empowerment—individual and group—when the issues become so nuanced and detailed (Solo and Pressburg 1998: 83), yet problem-solving now cannot be left to government alone?

The problem of citizen involvement is of course compounded with the externalization of services and the rise of intergovernmentalization by network. Privatization raises additional burdens on engagement. For example, third party organizations such as managed care firms that contract with government or garbage collection firms have little incentive to involve citizen and community interests. Many are part of the large for-profit chains making the relationship between government and citizens more indirect (Smith and Ingram 2002). As result, engagement and decision influence is difficult and puts extra burdens on citizens’ organizations despite the fact that such contracting makes the public agency more conductive.

It is also important to recognize that nonprofit contracting, voucher programs, and other means of government-to-community organization linkages enlist new constituencies in public service delivery. Many nonprofits and community organizations have developed a “keen stake in government funding and regulatory policy” (Smith and Ingram 2002: 57). As mentioned, this in turn had led to trade associations of service providers who organize politically on individual and collective bases, some of whom have a stake and role in policy development. They are key actors in the IGM network. This is the case, for example, with state associations of ID/DD agencies. Intergovernmental managers are now used to dealing with this form of advocacy/co-participation.
As for citizens themselves empowerment along with dialogue is the new order of the day. “The new vigour of civil, society reflects a large increase in the capacity and will of people to take control of their own lives and to transform them” (Commission on Global Governance, 1995: 35). Empowerment entails taking action beyond voting, controlling peoples’ destinies in their neighborhoods, cities, states and more. Transportation MPOs, for example, have learned that citizen bike trail, hiking path, paratransit and related groups no longer are willing to let their policy committees take their recommendations “under advisement.” The groups want to be at the table and move directly from proposal to action design with group as well as government agency involvement. Engagement may also include various self-help programs (home-owners’ associations and cooperatives), control over local enterprises (community development corporations), neighborhood improvement and business associations, power over credit or retail transactions and practices, self-protection from fraudulent and abusive practices, and building of leadership skills (advocacy, group process, speaking). Empowerment enhances one’s ability to engage in the dialogue, exert leadership and deal with important policy issues (Booher, 2005).

There is therefore more need for distributed leadership and pluralized connectivity with conductive public agencies that are involved in IGM. Clearly, no magic formulas exist for organized interests to deal with the new public sector, or the converse. It involves the best of collaborate methods, of which there are many important and venerable books and manuals on public organizing (e.g. Bacow, 1995; Brody, 1993, Chrislip and Larson 1995; Forester 2009; Ross 1973). The clear conclusion is that citizens do more than provide advice; they and their groups participate in key program and operational decisions as part of the network of involved program participants. In the era of the network, citizen activity thus moves to the forefront of IGM activity.
Summary: Actors and Roles in Network IGM

Clearly not everybody plays a leading role in each of the seven identified functions. As a result, an attempt will be made to designate who is involved and to what degree. Since it is IGM that is of interest it is primary administrative involvement in externalized programming that is of the greatest interest. Thus, other key actors such as legislative commissions, court and justice actors, employee associations and the like are not included. The core administrative “networkers” include: federal government agencies, state government agencies, (state level) industry associations, nonprofit services delivery organizations, for-profit services delivery agencies, administrative support (law, account, finance, computer systems) vendors, citizens groups/associations and research planning and study bodies and university research and service units that focus on particular programs and services. Each of these is a category of IGM network actors that represent many agencies within U.S. states. Together, these entities comprise, or potentially comprise, the major actors in IGM networking.

These network components are displayed in Figure 2 and they are calibrated by their degree of required involvement across the seven core practice principles. They are established simply by primary roles (P), supportive role (S), and no role entirely (N), by author judgment, with no particular empirical basis. They constitute a set of expectations as well as realities. One must recognize that these are extant practices not some future abstract principles, although they obviously vary from situation to situation.

[Figure 2 about here]
Figure 2 suggests that organizing the conductive structure is primarily a government agency function with close working contacts with one’s administrative support vendors. Outside units such as industry associations, delivery agencies and citizen groups need administrative access to the agencies on a regular basis, and hence have secondary interests in how those agencies are open to them. Jurisdictional politics is one that is played at the program management level by state agencies, industry associations and citizen associations, with delivery agencies taking more of a supporting role. Moreover, they are normally members of the trade associations and/or citizen associations. Network promotion and partnering is virtually every network participant’s job, although support vendors often take a more passive role in this activity. Human resource development is again almost every partner’s role, but the two representative groups—industry and citizen associations—have a less direct role. Most important here are the two types of government agencies and research, planning, and study bodies/universities who provide key experiential and educational opportunities. Knowledge work and communities of practice is virtually everyone’s job in the network, although support vendors and federal agencies would perhaps play less direct roles. Finally, the role of dealing with citizen engagement is more focused on state agencies and citizen associations, who have a stake in the operations, although federal agencies have a stake through federal requirements and case law, and industry associations and delivery agencies have some stake, in as much as it is they that are most involved in direct services.

[Figure 3 about here]
As a means of capturing this management agenda in a direct fashion an attempt to bring together the features and practices in networked IGM are stated as principles and practices in Figure 3. Each of the seven features are identified, followed by a practice related statement that captures the essence of each feature. For example, today’s public agencies need to be involved in promoting and partnering in networks (No. 3) by providing champions and alliance managers, bringing on new IGM roles. The other IGM functions suggest the importance of opening up the government agency to work externally, understanding and engaging in the politics of the network, finding and developing collaborative-oriented staff, promoting and using knowledge, becoming part of a community of practice and facing new challenges in citizen engagement. In addition to the more traditional duties/roles of the intergovernmental manager, these appear to be paramount.

Conclusion

No one would deny that “policy challenges and the resources needed to address them are not the preserve of a single level of government…Accordingly, the programmatic and fiscal fortunes of all levels of government have become more intertwined and interdependent than ever before” (Conlan and Posner 2008: 2). As a consequence public management has embarked on a new era where everything, public and non-public, appears to be linked in some way, and the concept of “network” is moving alongside that of hierarchy. Networks are clearly not the solution to everything. Indeed, they are quite limited in scope, mission and authority to decide, and they are clearly not replacing government’s authority (McGuire and Agranoff, forthcoming).
But they do make sense in those limited areas where problems and solutions exceed the capacity of single policies and programs, single government agencies, and single organizational auspices to work across jurisdictions and boundaries. In these situations networks can do the heavy lifting of reaching agreements and solutions that governments can subsequently enable. Managing across the bureaucratic “moats” requires collaboration, and to network is one important collaborative vehicle. The IGM component of IGR must transcend its legal and government to government orientations and recognize that new partnerships require meaningful networking activity. It is occurring throughout the system. This new IGM dimension has been demonstrated by looking in some detail at the emerging type of IGM activities currently employed. They constitute the beginning of a “response” to the NAPA challenge to reconstitute IGR along more collaborative lines.

New network-building expectations have been placed on numerous public intergovernmental managers. At the state level, for example, exponential externalization leads to the need for new state administrative capacity, the challenge of flexible on-line personnel shortages, increased variety in compliance demands, notable usable knowledge shortfalls, uneven funding flows and uneven efforts to encourage networks. These must be overcome. In other words, it is currently an era where there are multiple expectations to open or make agencies more conductive. Meanwhile the study of management and preparation for public administration careers must take into account the new IGM. This endeavor faces the challenges of understanding and operating within new frameworks: managing externally and non-hierarchically, the new politics/administration mix, promoting and operating in networks, collaborative knowledge based management, continuous interdisciplinary communities, and direct citizen involvement in the details of operations. These concerns must be moved in
alongside more traditional public administration concerns. If intergovernmental actors in earlier IGR eras thought their job was difficult, then they should see what their contemporaries are now facing while wrestling with IGM network expectations.
<table>
<thead>
<tr>
<th></th>
<th>Law and Politics</th>
<th>Welfare State Interdependency</th>
<th>Government Partners</th>
<th>Networked IGR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dominant Paradigm</strong></td>
<td>Building of Integral States</td>
<td>Divided, then mixed jurisdictional competencies</td>
<td>NGO partners; non-profit; for-profit; market orientation</td>
<td>Interactive meta-governing and collaboration</td>
</tr>
<tr>
<td><strong>Directional Focus</strong></td>
<td>Top-down (state-local) regulation</td>
<td>Downward flow of programs/finances Emergence of horizontal non-government agents</td>
<td>Downward through new tools (contracts, loans, vouchers) Horizontally interactive</td>
<td>Top-down Bottom-up Building of horizontal systems</td>
</tr>
<tr>
<td><strong>Politics/Policy Emphasis</strong></td>
<td>Expanded franchise; industrial and union politics; political party channels</td>
<td>New programs in employment conditions, social welfare, environment; governments lobbying governments by PIGs</td>
<td>NGO lobbying and politics’ administrator to administrator partners in politics</td>
<td>Globalization, local civic engagement, collaborative efforts, neighborhood politics, devolved decision-making</td>
</tr>
<tr>
<td><strong>Normative/Legislative Enablement</strong></td>
<td>Divided responsibility</td>
<td>Program growth; overlapping functions and responsibilities</td>
<td>Hollow state, contracting out, competitive tendering, demarketing public and NGO responsibilities</td>
<td>Slow or non-recognition of IG networks, some legal authorization with minor authority</td>
</tr>
<tr>
<td><strong>Judicial Concern</strong></td>
<td>Appropriate power/duties of a given level</td>
<td>Can central governments intervene in the structure, operations of subnational governments under IG programs</td>
<td>Rights and duties of the public sector in controlling NGOs</td>
<td>Unclear; limits on rule-making and continued protection of individual rights</td>
</tr>
<tr>
<td><strong>Bureaucratic Organization</strong></td>
<td>Hierarchy</td>
<td>Interacting over program control/jurisdictional flexibility; subnational government direct services</td>
<td>Agents, stewards, direct services externalized</td>
<td>Conductive Agencies</td>
</tr>
<tr>
<td><strong>Administrative Tasks</strong></td>
<td>Casual oversight, compilers of basic data</td>
<td>Administration of grants, loans, audits, reviews, and regulatory compliance</td>
<td>Executing the government portion of contracts or other means, data gathering, audits</td>
<td>Actors in networks, part of joint learning, and problem solving strategies</td>
</tr>
<tr>
<td><strong>Major IGM Transactions</strong></td>
<td>Minor subventions, reports</td>
<td>Grants, government-government contracts, joint IG agreements, service exchanges, etc.</td>
<td>Performance contracting, benchmarking, customer orientation, other new public management approaches</td>
<td>Joint learning and problem-solving, knowledge management, joint understandings/agreements</td>
</tr>
<tr>
<td><strong>IGM Style</strong></td>
<td>Passive reviewing, maintaining legal integrity, enforcement of legal charges</td>
<td>Information-seeking; bargaining, negotiation; compliance/discretion; spend others money first</td>
<td>Evolving partnerships from contractor control</td>
<td>Operational connectivity</td>
</tr>
</tbody>
</table>
### Figure 2

**IGM Network Actors and Actions—Administering Agencies**

<table>
<thead>
<tr>
<th>Actions</th>
<th>Federal Administrative Agencies</th>
<th>State Agencies</th>
<th>Industry Associations</th>
<th>Non-Profit Delivery Agencies</th>
<th>For-Profit Delivery Agencies</th>
<th>Administrative Support Vendors</th>
<th>Citizen Groups/Associations</th>
<th>Research Planning and Study Bodies, Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizing conductive structures</td>
<td>N</td>
<td>P</td>
<td>P</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>P</td>
<td>N</td>
</tr>
<tr>
<td>2. Inter-jurisdictional politics</td>
<td>P</td>
<td>P</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>P</td>
<td>S</td>
<td>N</td>
</tr>
<tr>
<td>5. Joint knowledge, knowledge management</td>
<td>S</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>S</td>
<td>P</td>
</tr>
<tr>
<td>6. Communities of practice</td>
<td>S</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>S</td>
<td>S</td>
<td>P</td>
</tr>
<tr>
<td>7. Citizen engagement</td>
<td>S</td>
<td>P</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td>N</td>
<td>P</td>
<td>N</td>
</tr>
</tbody>
</table>

P=Primary role in the network of actors  
S=Supportive role in the network of actors  
N=No or minor role in the network of actors
### Figure 3
Network IGM Feature and Practice

<table>
<thead>
<tr>
<th>Feature</th>
<th>Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizing conductive structures</td>
<td>Internal operations are positioned for external work, recognizing externalized direct services, non-hierarchical structures, for developing, monitoring and assessing partnering arrangements.</td>
</tr>
<tr>
<td>2. Inter-jurisdictional politics</td>
<td>Familiarity with and engagement in subsystems of politics and externalized program operations—now fused concepts—know your network as well as your program and requirements.</td>
</tr>
<tr>
<td>3. Promoting and partnering in networks</td>
<td>The public agency executive becomes the network champion and supplies the alliance manager, shifting away from rule compliance and other oversight activities.</td>
</tr>
<tr>
<td>4. Building creative human resources bases</td>
<td>The new intergovernmental manager represents the home agency, builds an interagency community, and participates in the creation of new solutions.</td>
</tr>
<tr>
<td>5. Joint knowledge, knowledge management</td>
<td>Network participants seek new ways to use learning and applied practice to find, organize, adapt ways that interagency problems may be solved.</td>
</tr>
<tr>
<td>6. Communities of practice</td>
<td>Intergovernmental managers work together to discover solutions, interactively administer programs, and are partners in resolving difficult problems.</td>
</tr>
<tr>
<td>7. Citizen management</td>
<td>Management is compounded as it now involves more than taking advice, as citizen interests are part of the network and citizen contact is now also through intermediary delivery agencies, while “client choice” can be part of federal requirements.</td>
</tr>
</tbody>
</table>
Notes


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Disaster Response 2020: A Look into the Future

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Introduction

“If we ignore the systemic issues and simply replace people or re-assign responsibilities, we may simply fail again in the not too distant future with a different cast of characters.”

John R. Harrald, Ph.D.
Director, Institute for Crisis, Disaster, and Risk Management
The George Washington University
U.S. House Committee on Government Reform Hearings
September 15, 2005

All of the major governmental reports (White House, U.S. Senate, and U.S. House) surrounding the Hurricane Katrina response called for systemic change. While the newly adopted National Response Framework (NRF) is an improvement, it falls short of systemic change. Additionally, the National Incident Management System (NIMS) continues to show great promise, but has not been used as a catalyst for transforming disaster response organizations. In essence, we are at risk of merely “shuffling the deck” to paraphrase what John R. Harrald states above. Yet, there are hopeful signs as long as the rhetoric of NRF and NIMS becomes reality.

This paper will contrast today’s emphasis on cooperative systems with the collaborative system that could be on the horizon. A collaboratively-based system can help to reconstitute disaster response organizations in ways that are fundamental. Collaboration is a much deeper concept and operational reality than what is presented in cooperation. As can be seen in the post-Katrina reforms, systemic change is elusive as the current reforms focus on doing more of the same except better. Still, progress has been made and by 2020 the disaster response system could be a dramatic example of what can be accomplished in a collaborative system.

Leadership, and more specifically transformative leadership and collaborative leadership, will be key to transformation of the system. Real change will not occur in disaster response without the cultivation of a collaborative system. The development of a functioning collaborative system in
Disaster response by 2020 could be a solid example of how collaborative systems can be used to solve problems and meet demands generally.

**Understanding the Background**

Certainly, disaster response has been a part of the nation since its founding. While an historical overview would be enlightening, for the purpose of this paper, one need only go back to the Federal Emergency Management Agency (FEMA) during the Clinton Administration (1993-2001). During this time, FEMA was led by James Lee Witt, an experienced emergency manager, who took the agency in the direction of an all-hazards approach that had long been favored by state and local emergency managers. FEMA, though certainly criticized at times, became an agency that developed a strong reputation for effective disaster management. Much of Witt’s success could be linked to the professionalization of the organization and perhaps just as importantly to the development of cooperative relationships with state and local government, nonprofits, and private organizations.

On September 11, 2001 the U.S. was attacked by terrorists who used planes to bring down the twin towers of the World Trade Center and to strike the Pentagon. An additional plane crashed in a field in Pennsylvania when the hijackers were stormed by the passengers of the flight. The resulting loss of life and the calamity brought about by these attacks focused American disaster response on preventing and responding to acts of terrorism. As a direct result of the attacks, the newly elected Bush Administration began to centralize disaster management control. The U.S. Department of Homeland Security (DHS) was born on January 24, 2003 and was tasked with planning and coordinating the nation’s response to disaster with more emphasis being placed on defense and law enforcement organizations dealing with terrorism. The impetus behind the creation of DHS was to construct a centralized organization that could better
coordinate the functions of the federal government with a decided bent toward preventing and responding to terrorism. Approximately 180,000 employees were brought into DHS with many different organizations and organizational cultures being blended together. FEMA was absorbed into DHS and was the only agency charged with responding to non-terrorism related disasters (Sylves, 2008).

DHS represented a commitment to a command and control approach with a gloss of cooperative language being adopted in the later National Response Plan (NRP) and the National Incident Management System (NIMS). This command and control approach to management within the federal government also spilled over into the federal relationship with state and local governments. The terrorism focus and the promise of funds tied to NIMS compliance was used as a means to ensure federal government dominance over state and local governments. This type of management and organizational structure is in stark contrast to a more collaborative approach favored by many in emergency management (Waugh & Streib, 2006).

Hurricane Katrina severely tested the new post-9/11 disaster management system. The flooding of New Orleans by a major hurricane had been recognized for years as one of the potential catastrophes that could befall the nation. On August 29, 2005 Hurricane Katrina made landfall close to New Orleans and a chain of events was set into motion that resulted in the worst loss of life to natural disaster since Galveston in 1900 and the worst property loss in American history. Interestingly, the Hurricane Pam exercise where a fictional strong Category 3 storm hit New Orleans had recently taken place. Obviously the exercise did not have the intended impact on preparedness. When tested by Hurricane Katrina, NRP and NIMS failed. The NRP called for NIMS to coordinate disaster response in an intergovernmental and inter-organizational fashion. Terms like “joint,” “cooperate” and even “collaborate” are found throughout NIMS documents.
Yet, there was a breakdown in joint operations and cooperation often was lacking coordination. If NIMS had been consistent in practice with its rhetoric, it might have functioned much more smoothly when tested by Hurricane Katrina. Instead, Hurricane Katrina revealed a system that had not lived up to its rhetoric. Truly collaborative and even cooperative work had not been sufficiently done prior to the disaster or even in the midst of the disaster. Questions of authority and leadership had not been adequately dealt with and could not be worked out during the crisis (Lester & Krejci, 2007; Lester, 2007).

As Waugh and Streib (2006) state, “Hurricane Katrina revealed a national emergency management system in disarray, one that was incapable of responding effectively to the immediate needs of communities along the Gulf Coast and unprepared to coordinate the massive relief effort required to support recovery” (p. 131). Federal, state, and local governments were not adequately prepared for this catastrophe. While the point can be made that a catastrophe by definition can be an overwhelming event, not all of the failed response can be blamed on the magnitude of the disaster. The lack of coherence related to issues of authority and responsibility alongside a centralized command and control decision process at DHS contributed to a poor response. Certainly, there were successes in the response and many who went above and beyond their duties in order to provide relief, but these were overshadowed by fundamental and systemic problems of authority and coordination. The new system designed after 9/11 had failed.

This failure was examined in three governmental reports dealing with the Hurricane Katrina response: “A Failure of Initiative” coming from the U.S. House of Representatives, “Hurricane Katrina: A Nation Still Unprepared” issued by the U.S. Senate, and the White House report entitled “The Federal Response to Hurricane Katrina: Lessons Learned.” Each report recognized a fundamental need for change in the nation’s disaster response system and
underscored the need for greater cooperation. While the reports have some differing recommendations, the essential recognition from all of these governmental reports is for fundamental and systemic change in the disaster response system (Lester, 2007; Sylves, 2008).

This begs the question as to what changes are needed to fix the system. Some have called for a more centrally focused, federal government dominated command and control disaster response system. This includes proposals to hand the primary responsibility over to the military (Cooper & Block, 2006; Sammon, 2005). The move to federalize disasters at the outset would create a unified command, one that can involve the military when needed, yet at what price? This approach would cost valuable and insightful leadership—leadership that knows a state or region better than outsiders. In essence, it would be responsive, but not necessarily both responsive and effective (Vigoda, 2002). Effectiveness requires a more intimate knowledge of immediate and solid relationships with local responders be they governmental or nongovernmental relationships. In this area of response, local and state responders have distinct advantages (Bush, 2005). The federal government cannot respond and be on site instantaneously.

Further, the call to centralize could damage the federal relationship in many areas. As the looming and ever-present threat of terrorism and natural disaster remains, these very real and ongoing threats could be used to redefine the relationship between the federal government and the states (Lester & Krejci, 2007). This is precisely the scenario of federal government hegemony that many emergency management experts warn against as being fundamentally at odds with the organizational culture of emergency response (Sylves, 2008). Instead, a more collaborative approach better fits the organizational culture of disaster response and shows
promise for dealing with the shortcomings of a hierarchical command and control structure (Waugh & Streib, 2006).

The National Response Framework (NRF) is the result of the most recent reforms designed to improve the disaster response system. NRF is the revision of the National Response Plan (NRP), which was in place during the Hurricane Katrina response. Basically, NRF stresses more interaction. While NRF is a step in the right direction, the way it is being implemented provides no systemic change. As it did with NRP, the National Incident Management System (NIMS) remains the vehicle for bringing NRF to life. NRF is basically an improved version of NRP. NRP functioned under an inclusive-authority model (Wright, 2006) and NRF is doing the same. Sylves (2008) states in regard to the inclusive-authority model,

> each level of government has a diminishing proportion of responsibilities, from the national to the state to the local government level. Under the inclusive-authority model the federal government plays a key coordinating role as the states and federal government cooperate and interact in certain critical areas. The inclusive-authority model assumes the sharing of power and responsibility, with the various participants working toward shared goals. The model also conveys the essential hierarchical nature of authority. In some respects, the new homeland security paradigm has made states and localities “mere minions of the national government” (p. 41).

The basic system described by Sylves (2008) still describes the situation under NRF. Despite the language describing partnership and cooperation, information has a tendency to head “down” to state and local governments and not “up” (Sylves, 2008). While NRF and NIMS show promise
for being collaborative, up to this point, they have been a disappointment when it comes to truly systemic and collaborative reform.

**Cooperation versus Collaboration**

Emergency management has existed for many years in an environment that requires an approach that centers on shared responsibility and resources. After 9/11 the focus shifted with the creation of the U.S. Department of Homeland Security (DHS) to a more centralized command and control environment. DHS tried unsuccessfully to keep the shared responsibility emphasis through NRP (and now NRF) by devising NIMS as a system to centralize response while maintaining cooperation. Hurricane Katrina vividly exposed the difficulty of having both worlds: centralized response and cooperation. The twin goals of centralized response and cooperation are hard to balance when centralization of authority is the real result. Of course, state and local government are less enthusiastic about “cooperation” when the result is centralized federal control. Yet, NRF and NIMS tout cooperation. It could be that “cooperation” is part of the systemic problem. Still, can NRF and NIMS be useful in systemic change? If NRF and NIMS lives up to its rhetoric and engages not in “cooperation,” but in “collaboration,” the answer can be “yes.”

The obvious first step is to define these two terms: cooperation and collaboration. Too often the two are seen to be synonymous when in reality there are important differences. A very good definition that works well in the emergency management context is found in Thomson and Perry (2006). They state,

> Collaboration is a process in which autonomous actors interact through formal and informal negotiation, jointly creating rules and structures governing their
relationships and ways to act or decide on the issues that brought them together; it is a process involving shared norms and mutually beneficial interactions (p. 23).

While not dealing directly with cooperation, this definition catches a great deal that is important to harnessing collaboration for the systemic change necessary in disaster response. First, collaboration is a process that is ongoing. Disasters are by definition messy events that will require constant recalibration as events unfold. There will not be a day when collaboration on disaster response is complete. In fact, each situation can bring unique and often unplanned challenges that will require a quick return to the collaborative process.

Next, the inclusion of “autonomous actors” is vital to the definition. Autonomy is central to federalism. The federal government has its realm and the state and local governments have theirs. This is not to say that realms do not overlap and intermingle, but federal and state authority and jurisdictions are at least defined even if boundaries are sometimes fuzzy. The current command and control federal dominance found in disaster response has seriously challenged the concept of autonomy. The federal government threatens to so overshadow state and local government as to mimic unitary government. If collaboration is to occur, each actor (federal and state/local) must be respected within their realms. Disaster management is an area where state authority is very much on display and important to an effective response.

The interaction through formal and informal structures as found in the definition of collaboration is vital. Not only does collaboration require formal structure (like NIMS has the potential to fulfill), but it also has the more intangible offering of less formal relationships that can be vital in an emergency situation. Waugh and Streib (2006) state “Part of the common wisdom of emergency management is that communication and collaboration are facilitated by
personal familiarity, not just institutional contact” (pp. 136-137). A disaster is not a good time to be exchanging business cards.

The next three important phrases from the definition are “negotiation,” “jointly,” and “relationships.” Collaboration is not one entity telling another what to do. All three terms imply the building of common solutions and accompanying rules for continued engagement. It is interesting that the NRF and NIMS documents are filled with the same words found in the definition of collaboration offered above. The problem is not with the words in the documents because they are collaborative in nature, but with their use in a hierarchical command and control system that is antithetical to the meaning of the words.

The remainder of the offered definition from Thomson and Perry (2006) speaks to issues bringing groups together and the development of “shared norms” and “mutually beneficial interactions.” The issue bringing the potential collaborators together is the need for an effective response to disaster that also respects the federal system. The catalyst for change is present given the recent challenges faced by American disaster response and the accompanying calls for change. The question will be whether or not the federal government will allow for real collaboration or engage in a form of cooperation that emphasizes a top-down system. “Shared norms” and “mutually beneficial interactions” are normally not prescribed from above.

The current disaster response system seems to be more cooperatively focused. Cooperation is lower on a continuum that has collaboration ranked much more highly (Mattessich & Monsey, 1992; Alter & Hage, 1993; Himmelman, 1996; Thomson & Perry, 2006). In education, cooperation is a centrally viewed process where activity is guided by the teacher. Structure is provided but the structure serves the purpose of guiding the student to a particular place or answer predetermined by the instructor. On the other hand, collaboration allows for a
more meaningful exchange. The questions themselves are not even necessarily predetermined. The participants work together to construct appropriate questions, structures for exploration, and responses. Rockwood states (1995),

Most importantly, in cooperative, the authority remains with the instructor, who retains ownership of the task, which involves either a closed or a closable (that is to say foundational) problem (the instructor knows or can predict the answer). In collaborative, the instructor--once the task is set--transfers all authority to the group. In the ideal, the group's task is always open ended (pp. 8-9).

Seen from this perspective, cooperative systems lead to predetermined outcomes. Whereas, collaborative systems empower students to explore new questions and answers.

In a similar fashion, NRF and NIMS have been used more for cooperation as opposed to collaboration. State and local governments are being “invited” to join but it is within the decidedly centralized command and control of the federal government while a collaborative system would allow for a more open exchange of ideas and for a more adaptable system. Collaboration more clearly meets the need for adaptation, flexibility, and intergovernmental and inter-organizational understanding that is necessary in disaster response (Waugh & Streib, 2006). The current system provides state and local governments with a “classroom” while the “teacher” provides the lessons. The classroom is the federally dominated system and the teacher is the federal government. To become collaborative, the classroom, which could be NRF and NIMS based, would have to be much more open ended. A more open ended approach would allow for more inclusion and innovation. The important questions surrounding disaster response and the organizational structure of disaster response are then continuously vetted in an ongoing collaborative process.
This all presents the question: How do we bring about a systemic change that is based on collaboration? A good place to begin is to recognize that the American disaster management system is already tilted toward cooperation with numerous joint exercises and a great deal of inter-organizational and intergovernmental dependence. This lays a solid psychological and organizational framework upon which to build a collaborative system. Emergency managers and other professionals in the field already recognize the need for maintaining important organizational and personal connections across organizations and governments (Drabek, 1987; Waugh & Streib, 2006). Disaster management already tends toward flexibility. A constant in disaster management is that events on the ground will present new and at times unanticipated challenges. As the old saying goes, “No battle plan survives contact with the enemy.” In other words, the professionals in the field already recognize the importance of collaboration and generally want a system that supports what they already know.

With a bent toward flexibility and a relational approach already present within disaster management, how can this very basic predisposition be harnessed for changing the disaster response system? What are the necessary components for transformation of the system? Two needs seem to become readily apparent. First, there must be a desire for change that leads to a systemic transformation. Second, there must be an organizational structure that can lead to systemic transformation. Further, this transformed structure must be able to maintain the newly transformed systems.

As stated, there needs to be a commitment to change that is decentralized and collaborative. This commitment is not far from what is seen in the rhetoric of NRF and NIMS. It is also in keeping with many of the recommendations from the major governmental reports in the aftermath of Katrina. For the commitment to be successful, it must come from the
leadership. This is not only elected leadership, but the professional leadership found in the disaster response community. Both types of leaders are needed to move this forward. Again, rhetorically, the commitment to systemic change is present. The disaster response professional and scholar have a responsibility to keep this commitment to change ever before elected officials. Reminding elected officials that major disasters are not a matter of “if” but “when” will also serve to keep electoral politics central to the calculation. It is not too farfetched to believe that the rhetoric favoring change that currently exists can become reality especially if moved consistently forward by disaster response professionals.

Second, the leadership (both elected an unelected) must embrace collaboration. Everyone involved in disaster response wants an optimal disaster response system. It would not be unreasonable to allow all relevant actors to collaborate on how best to achieve this goal. In order for the vision to be shared, it cannot come from a centralized command and control authority. It must be collaboratively developed. This process cannot be coercive on the part of the federal government in an attempt to centralize response. Development of a shared vision (Bass & Avolio, 1994) requires that this process “be more than just a ‘smokescreen’ for predetermined outcomes” (Lester, 2007).

“Shared vision” is always in development and open to revision in a collaborative process. Still, once some level of shared vision is achieved, it is necessary to act upon the specifics that have been developed. This will be a particularly difficult challenge for executive branch leaders and for legislative bodies to embrace. These governing authorities must allow the results of collaboration to be implemented even if this means that authority has become more diffused. The temptation to maintain control must be tempered. Certainly, final authority rests with elected officials and the courts, but optimal response cannot be achieved through centralizing
authority to act in executive and legislative leadership at either the federal or state level. Inclusion of all relevant actors in the decision process will make it easier to devolve authority (Mazmanian & Sabatier, 1983). The professional capability and capacity of professional disaster management responders must be trusted with authority to act. The increased capacity and capability of state and local governments in many areas (Bowman & Kearney, 2006) including disaster response is beyond question. This increased capacity and capability must be harnessed if an optimal level of disaster response is to be achieved.

As has been pointed out often in disaster management, information often flows from the bottom-up and does not have time to be sifted through and to be sent back down the chain of command. If collaboration has meaning, then it means that real authority to act has been granted to others because the process has negotiated just such an arrangement as being essential to successful response. Situations will arise (especially if communication is difficult) during a disaster where no preset standard operating procedure will exist and initiative will be required. Adequate response to these eventualities requires that authority to act be granted deep into an organization. This is much more likely given a collaborative process. It also allows different groups of organizations and governments to combine and share resources across boundaries because they have collaboratively set-up response systems and because they have had more personal contact due to the collaborative process. While the improved institutional contact is quite important, the personal familiarity fostered by collaboration can be vital in a disaster situation (Waugh & Streib, 2006).

As Lester (2007) states,

A transformational leader will see others in the organization as being capable of independence and initiative in fulfilling the organizational purpose of disaster
response. Organizational members behaving as “loose cannons” is not what is being advocated here. Instead, what is being advocated is a well trained, collaboratively structured organization where members have shared in the development of the organizational vision and goals. This allows the leadership to have confidence in implementation of the basic organizational mission (p. 14).

This type of confidence is bred by an organizational structure that encourages frequent contact and is tested by regular exercises. It is quite important that these training exercises be inclusive of national, state, and local officials. Collaboration that does not include the top leadership will be vacuous. When crises erupt, top leadership will interject themselves into the situation. Leaders that are collaboratively involved will have developed confidence in the organizational structures, plans, and persons responding to the crisis. The involvement of top leadership in the collaborative process is absolutely essential. Familiarity with the process and persons involved breeds confidence. When disasters occur, the usual response becomes hierarchical control which seems responsive, but is often less effective (Goldsmith & Eggers, 2004). Collaborative leadership mitigates this bent toward control in favor of trust.

Prior to Hurricane Katrina, there were numerous agreements like NIMS that were not backed up with changed attitudes, values, and capabilities. While the agreements are good in and of themselves, it takes real changes in attitudes, beliefs, and behaviors to really transform. If the leadership actually believes the rhetoric of transformation and initiative, it will have an impact in changed behavior toward organizational subordinates. The modeling of transformed behavior will do a great deal to effectuate change. Transformational leadership requires that recognized leaders (those holding positions of authority) be models of collaboration. An edict from on high that organizational members are going to collaborate that is followed by sham
meetings with preconceived outcomes will demoralize an organization and result in failure. Admittedly, this will require many to adjust their leadership styles and attitudes. Suffice it to say, without leadership modeling the way in implementation and training, collaboration will be a farce.

The last stage of transformation is institutionalizing collaborative leadership. Up to this point, structures and rules of engagement and actual procedures for disaster response have been hammered out in concert with one another. It is essential that the whole process and structure be open to challenge on a continual basis. The system is open to revision as new data and new actors and new organizational needs are introduced. Transformation and collaboration will go hand in hand. Basically, there will be institutionalized transformation due to the collaborative structures that are in place. Performance will be measured by agreed upon standards through the collaborative process. A basic measure of transformational and collaborative success will be when organizational members across multiple organizations and across governments have internalized the new processes. The result will be a better disaster response system that plays to the strengths of federalism. Institutionalization of the changes means that the structures and practices have become a part of a well established system. But, do we have to create a new system from scratch?

NRF and NIMS: A Catalyst for Change?

NRF and NIMS terminology says a lot of the right things. If held to the rhetoric about collaboration, NIMS is uniquely positioned to bring about change. NIMS could provide a place under federal government sponsorship for real collaboration to take place. If the vehicle is not NIMS, it will have to be a NIMS-like system. Why not make “joint” in the NIMS document really mean “joint”? NRF and NIMS currently engage in cooperation as discussed earlier as
opposed to collaboration. The cooperative structures are hierarchical and designed for different
governments and other response organizations to cooperate in accomplishing goals. The guide
could be the federal government. A transformed and collaborative NIMS could work by
providing the locus for intergovernmental and inter-organizational contact. Agreed upon
structures that are arrived at collaboratively would function much better than the current coerced
structures. Any command and control questions would be ironed out in real negotiation and with
jurisdictional input (Lester & Krejci, 2007). If one level of government is to fade as the
magnitude of a disaster unfolds, it will be by a design that included that government’s input from
the beginning. This fosters understanding and allows the effected government to maintain a
level of control. Otherwise a situation many arise like it did in New Orleans when the federal
government was moving in en masse. As the city government of New Orleans faded, Mayor Ray
Nagin stated of President Bush, “Since I have been away a day or two, maybe he’s the new
crowned federal mayor of New Orleans” (Connolly, 2005). Seemingly, it still mattered who was
in charge. Who is in charge or at least arrangements for power sharing can best be accomplished
collaboratively. The resulting collaborative work would be much more likely to perform when
tested since the relevant actors would have collaboratively designed the system. NRF and NIMS
have great potential as transformative and collaborative agents but both could just as easily be
used as agents of the status quo. This will only happen if enough of the leadership at all levels
recognize the need for systemic change and act. NRF and NIMS could conceivably provide the
“classroom space” for collaboration.

Disaster Response in 2020

Cooperation has marked most of what happens in American disaster response in recent
years. Cooperation may sound good, but it is at the low end of a continuum (Mattessich &
Monsey, 1992; Alter & Hage, 1993; Himmelman, 1996; Thomson & Perry, 2006) for how disaster response organizations and governments can relate to one another. The contrast between cooperation and collaboration is an important one to make. The current disaster response system brings federal, state, and local governments together along with other responders in a way that focuses on hierarchy and command and control. This allows for vertical control, when much of what is done and perhaps the most important elements of disaster response are horizontal relationships. Cooperation focuses on vertical relationships whereas collaboration focuses on horizontal relationships. In federal governing relationships, respect for the horizontal relationship between federal and state/local governments is vital. This is never truer than in disaster response. In essence, disaster management based in a hierarchical command and control system works against properly defined federal relationships and is antithetical to how emergency management in the U.S. should operate (Waugh & Streib, 2006). Disaster response cannot be paralyzed by vertical relationships that force them to consult up the chain of command when realities on the ground dictate quick and decisive action and horizontal relationships (Kettl, 2006).

Collaborative leadership mitigates much of the horizontal versus vertical design problems. But, as discussed earlier, the governmental and organizational relationships themselves must be transformed before collaboration can take place. Hence, transformative leadership is needed to bridge the gap between the current system and the collaborative system that needs to develop. A window is open where there is consensus on the need for systemic change. Just witness the post-Katrina governmental reports and the continued drumbeat for change from both practitioners and scholars. Transformative leadership can translate this
consensus for change into action, but it will take the commitment of leadership or we will only be flirting with change.

Once a basic transformation has occurred and collaborative structures are in place, collaborative leadership can come to the fore. The fundamental difference between transformational leadership and collaborative leadership is one of stability. Many of the features are the same. Transformational leadership fundamentally questions the current system and moves the system toward change, while collaborative leadership is the system that results from the transformation. Collaborative leadership must always be open to continuous transformation and adjustment. It is the institutionalizing of a more shared system. NRF and NIMS could be the cornerstone of a transformative and then collaborative system or they could be used to propagate more of the same in disaster response. Below is a brief exploration of just what some important of elements of disaster response could look like in 2020.

Elected Officials

By the year 2020, elected leaders will be absorbed into a system that respects intergovernmental communication and processes. This will have occurred because under a collaborative system, relationships across governments and between organizations will be on a firmer foundation and based on trust that has been earned via familiarity. Elected officials from all levels of government will be entering a system that pre-exists their arrival. Further, elected officials will be more intimately involved in the collaborative system. This will make the importance of training and intergovernmental communication and inter-organizational communication more important. Contacts across governments will be more frequent and meaningful. In this collaborative environment, elected officials will be more likely to make policy that benefits the mission of improved disaster response. The inclusion of elected officials
throughout the collaborative system will be of paramount importance.

_NIMS or Its Successor_

NRF and NIMS (or at least some sort of equivalents) will exist in 2020. The federal government will be vital to success and will need collaborative tools. There is no other entity that can lead the system in collaboration. As discussed earlier, the federal government in 2020 will need to avoid dominating the system by imposing its will. This, however, does not mean that the federal government has to cede national-level policy and goals. It simply means that achievement of these national policies and goals can best be achieved by a collaborative process. For example, a national level policy that needs to be implemented in Georgia may be dependent on state and local governments to make it happen. Real and open input into how the policy is administered would be beneficial. If the policy is determined to be of national importance, the collaborative system would not be so open as to foreclose the adoption of the policy. State and local governments have to respect national priorities and policies. Yet, in disaster response, as in many other areas, where intergovernmental action is needed, governing entities outside of the federal government have their own jurisdictional powers and priorities. Understanding local conditions and respecting those on-site make these operational realities of supreme importance to anyone who wants there to be adequate response. There is no other way to do this well except through collaboration.

NIMS will be vital to collaboration. In 2020 we will be looking at a version of NIMS that lives up to its collaborative rhetoric. Tough decisions about how to respond and about authority will be “fleshed out” in NIMS. Too often these tough questions have been shunted to the side and glossed over (Lester & Krejci, 2007). A collaborative NIMS will tackle the tough issues before disaster strikes. It is important to note that while a collaborative system is
decentralized, the results of collaboration can be agreement on a need for centralized systems to accommodate coordination and command. Some may interject that this is what NIMS currently does in 2010 and has done in the recent past. However, up to this point, NIMS has failed to live up to this potential because the system was used for federal government dominance and skirted real issues of authority and collaboration. Still, NIMS used properly can be a vital component of transformation and collaboration by bringing parties together and encouraging linkages like the Emergency Management Assistance Compact (EMAC), which serves as a vehicle for encouraging interstate agreements. The potential for NIMS to fulfill the role of transforming the system if properly oriented cannot be understated. If not NIMS, it will need to be a NIMS-like system that is put together to accomplish the task. The potential for NIMS is great and would be essential to a properly functioning system in 2020.

There cannot be collaboration without communication. This will require learning a common language and having an understanding of another group’s processes, jurisdictions, and concerns, which NIMS can help to facilitate. This is where much of the hard work of communication including terminology and information technology and communications technology can and should be ironed out. A collaborative system would be useful for exposing potential problems and then addressing them. NIMS in 2020 can encourage engagement in inter-organizational and intergovernmental communication designed to proactively seek out potential problems.

Authority and Accountability

The collaborative system in 2020 allows the responding entities to have authority and ownership of the response plan. Alongside increased authority to respond, there must also be the understanding that those gaining new levels of authority will also be held to higher standards of
responsibility and accountability. Training will need to emphasize that decisions take place within the larger mission focus and that each collaborating member is responsible and accountable to others for their decisions. This is where collaborative involvement will be of indispensable importance because such involvement will provide a locus of accountability. The stakeholders tend to hold each other to standards, which have been collectively defined in the collaborative process (Heckscher, 2007). Through a collaborative process, accountability standards are set. This encourages a government or organization to have a deep understanding of the accountability standards since each group has had a hand in their development. Each group meets in the center and is tied together by the overarching mission (Figure 1). They also hold each other accountable to fulfillment of the mission.

**Personnel**

A collaborative personnel system in 2020 will recognize how important recruiting, hiring, training, and discipline are to promoting and maintaining a functioning disaster response system that emphasizes communication and initiative across boundaries. Personnel matters are of paramount importance to the building and maintenance of a new disaster response service. Iron-fisted command and control in a top-down bureaucracy on personnel matters will not translate into organizations that can adapt and use human resources effectively in a collaborative fashion. Collaboration requires an organizational culture that appreciates leadership and initiative. In 2020 a culture of collaboration must be in place that begins with personnel or else collaboration on the mission and the tasks to be performed will be compromised. Once hired, employees will receive training that encourages collaboration and leadership skills. This is more than a one-time event. The organization’s culture is purposefully communicated to the employee. Without this micro-level attention to a collaborative environment, the macro-level focus on collaborative
structures will be compromised and may well fail.

*Shared Resources*

In 2010, federal funds are often used to help states and localities directly and to enforce some level of standardization through NRF and NIMS. States also provide funding to local governments for disaster response. The funding environment in 2020 will likely still involve aid from the federal government to state and local governments. However, the federal government’s ability to provide funding will likely be less than it is in 2010. The collaborative environment of 2020 will have a better integration of resources to maximize unity of effort. Savings will be found by merging tasks and sharing responsibilities. Mutual aid agreements, memorandums of understanding, inter-local agreements, as well as other forms of cooperation in 2010 will become even more important under the collaborative system of 2020. The level of interaction in disaster response between governments and with NGOs will have grown markedly.

*Community and Economic Development: Part of the Larger Plan*

In 2010, the impact that disaster planning and management has on community and economic development is often overlooked. Good emergency planning can be part of the broader economic plan for improving the community. It can be as simple as designing a parking lot at a new development to push runoff into a manageable zone or it could be as big as new industry coming into a location because adequate funding has been given to hurricane preparedness. It is important to tie emergency planning funding to the larger community and economic picture. Emergency planning in 2020 will be much better tied to the overall development plan for a community, state, or region. Much of this will be a direct spillover effect of the collaborative system of disaster response and the relationships that by necessity have developed across and within governments and with nongovernmental entities. It will be easier to
see disaster planning as part of the larger picture when it comes to community and economic development.

Military Partnership

In 2020, the U.S. military can be an even more important partner in providing resources and assistance to governments responding to and recovering from disasters. In a collaborative system, the military will move in concert with responding governments and organizations. When military assets are needed to aid in a particularly catastrophic event, a collaborative system helps to solve the jurisdictional and legal constraints. For example, during Katrina, there were military assets available, but not used because of confusion as to proper procedure and process from federal and state government (Kettl, 2009). A collaborative system is more likely to result in an optimal use of all resources since the system of response would have been developed in unison with one another. The use of military assets would be an important part of the collaborative planning. In 2020, the use of such assets would have been much better planned for in a collaborative system. The potential of U.S. military capability being used in a measured and effective fashion will be much more likely in 2020.

Conclusion

Generally, the experience of American disaster response offers insight into the intergovernmental, multi-organizational, and multi-sector environment in which we all live and work. Many of the problems of the 21st century defy or at least resist being addressed by a traditional hierarchical approach. Disasters tend to bring failures to light more readily because of their cost in lives, property, and money. Also, the speed at which disaster response must move allows for a more vivid picture of any associated problems. In some ways disasters and disaster response reveal organizational shortcomings writ large. Governments and organizations that
address less visible problems and slower developing situations do not face the same time
constraints as disaster response organizations, but they too face a growing level of complexity in
the intergovernmental and inter-organizational environment. Yet, the growing complexity and
related new challenges are often being dealt with by bounded and hierarchically-based
organizations that lack the capacity to deal with the emerging problems. As Kettl (2006) puts it,

(W)e need to add a new, far more difficult puzzle: whether the new challenges of
21st-century life—from terrorism to pandemics and international trade to climate
change—have undermined the ability of boundaries—any boundaries drawn
anywhere—to deal effectively with truly important inescapable issues. Has the
effort to force problems into existing structures created unacceptable costs? A
careful look at the performance of American government, from the halting
response to Hurricane Katrina in 2005 to the ongoing struggle to manage welfare
reform, suggests that we are facing a growing set of inescapable issues, that the
agencies charged with managing these programs have boundaries that do not fit
the problems well, and that the mismatch of boundaries and problems is causing
growing performance problems (pp. 12-13).

Could it be that disaster response is the canary in the mine? Is it that the problems of disaster
response are so visible and over-arching that they are just more apparent? With a transformative
and collaborative approach better suited to disaster response, could it be that similar approaches
are necessary for navigating the immense and boundary spanning problems faced today?
Collaboration harnesses multiple resources across governments and organizations and is better
positioned to tackle wicked problems. Human initiative and creativity for solving such problems
is enhanced as ideas are exchanged across boundaries thus making the boundaries between
governments, public organizations, nongovernmental organizations, and the private sector more malleable and traversable. Collaboration has the potential to maximize effectiveness.

Returning to the quote from John R. Harrald from the beginning of this paper, “If we ignore the systemic issues and simply replace people or re-assign responsibilities, we may simply fail again in the not too distant future with a different cast of characters.” While this was spoken in the context of disaster response, it has broader but less visible application to American public administration generally. We will either stay the course with minor changes and fail in many areas including disaster response or we will face the new challenges with better and more collaborative structures.
References


Figure Captions

*Figure 1.* Accountability in a Collaborative Structure
Figure 1. Accountability in a Collaborative Structure
The New Intergovernmental Role and the Necessity for Organizational Duality

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Respondent paper prepared for presentation at the American Society for Public Administration National Conference, “Intergovernmental Relations in 2020: Theory and Practice” symposium, San Jose, California, April 9-13, 2010
The New Intergovernmental Role and the Necessity for Organizational Duality

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The nation is very aware of our leadership needs and our failures to meet generally accepted expectations. Our intellectual awareness is acute when recognizing the need for collaborative leadership versus (Lester, 2010) the lukewarm effectiveness of cooperative leadership, which is modestly better than traditional leadership. An oxymoronic term, but it illustrates how far our knowledge has grown over the last thirty years only equaled by our failing to execute simple principles of humility, public service at its finest, and an unyielding resolve to achieve results. The two authors make compelling arguments for collaborative and networked leadership, but it is imprudent to leave the benefits of traditional leadership and hierarchies behind. We also need organizations with networks and hierarchies and leaders who can make both effective.

The National Academy of Public Administration (NAPA) sounded the alarm for the Obama Administration to restructure intergovernmental management across the federal system based on collaboration rather than command and control. The report goes on to call for genuine a partnership that includes all levels of government from planning to execution (NAPA, 2008). The sentiments are echoed by other institutions such as the International City/County Management Association (ICMA) in April 2009 with the publication “A Networked Approach to Improvements in Emergency Management (ICMA, 2006). Those recommendations were incorporated into recommendations adopted by the National Homeland Security Consortium (NHSC) in its paper, “Protecting American in the 21st Century.” The NHSC also sent its paper to the Obama
Administration reinforcing the consensus from a diverse group of state and local government, nonprofit, and private sector organizations. The trend has not gone unnoticed. Cameron and Simeon (2002) note similar trends in Canada and describe the transformation from “federal-leadership” to “collaborative federalism.”

The current network era described by Agranoff (2010) is the fourth phase in intergovernmental relations, and it epitomizes classic leadership where one has to impact and affect the external environment perhaps more than the internal one. Lester (2010) also sees the emergence of collaborative leadership, but where it has been birthed from cooperation compared to the sprawling 100 year odyssey described by Agranoff.

Agranoff beckons public managers to organize the inside game so as to operate outside of the agency. This is done by calibrating its strategy, culture, structure, and systems for the needs of the marketplace. This point of view is business oriented, but well-steeped in research over the last fifty years on leaders’ roles. The federal government gets it and it’s even pronounced by the U.S. Office of Personnel Management as part of the Executive Core Qualifications (see Attachment 1). This is the work of leaders, but the deeper question is do we have enough leaders who incorporate these core qualifications. The proliferation of more agencies, NGOs and the like increases the likelihood of conflicting values, strategies, and goals. These disparities can be exacerbated in times of fiscal stress. I am quite sure Agranoff enjoys widespread consensus that “the call to IGM action is simple in principle while daunting in practice.” In addition, Agranoff asserts public management has embarked on a new ear where everything, public and non-public, appears to be linked in some way, and the concept of “network” is moving alongside that of hierarchy. It is here in the conclusion of
Agranoff’s paper we see the first acknowledgement of the duality of a leader’s roles. That is, the duality of still needing the predictability of the hierarchy while also benefitting from the change momentum created by networks.

This duality does not pre-suppose one model dominating the other. There is still a role for hierarchies, but how does the hierarchy adapt to the realities discovered by various networks? This is the primary challenge of the talent-network model (see Attachment 3). The network has to bring its findings, goal consensus, and aspirations back to the hierarchy and affect the necessary change so it can be routinized in the update hierarchy. Agranoff does not dismiss this necessity. He notes the bureaucratic organization has to perform as conductive agencies; and administrative tasks become actors in networks. It is uncertain a basic administrative function like human resources becomes an actor in a network, but it is certain that HR has to help prepare the rest of the organization to be actors in a network.

Lester (2010) takes us through the impetus for the new IGR and goes on to describe the migration from cooperation to collaboration. He properly points out the necessities for genuine collaboration and it makes one wonder how our federal government is going to offer respect to state and local governments despite systems like NIMS and NRF that call for centralized response while maintaining control. He does not abandon the role of the leader and the reality of change management. It’s a top-down process and it’s acknowledged that the commitment to collaboration comes from the top. On the other hand, a shared vision may always be in development, but commitment to a vision enables genuine collaboration. How can agencies truly collaborate if the desired end result is a moving target? Organizational behavior research actually questions
whether loose-tight properties where leadership is rigid with the vision and direction of the enterprise, but loose with information sharing, collaboration and team-based execution are compatible (Sagie et al, 2002). Some treatment on this issue is warranted for future research, but it appears intuitive that strong direction on the vision (networked) and style of leadership (collaborative) is needed from all levels of government and NGOs. This is a step beyond the requirement of recognized leaders be models of collaboration. They and the hierarchies they lead need to perform the traditional role of setting direction, and enabling collaboration.

The loose properties suggested in collaboration are well done by Lester, and he clearly articulates that collaboration is the result of transformational leadership. We already have some effective tools in the form of NRF and NIMS that could codify this collaboration.

Lester’s crystal ball into disaster response in 2020 is hopeful and is generally compatible with the systems, strategies, and structures seen today. However, prospects for elected officials defy trends observed today. The general dysfunction by elected officials at all levels of government (see lack of movement on President Obama’s agenda in Congress to California’s budget crisis) does not project to elected officials making policy that benefits the mission of improved response. Publicly elected officials make policy that improves their political prospects. In addition, today’s balkanized, partisan politics does not project well for the desire for collaborative leadership. We do not have to be discouraged by this trend, but we can hope that motivation intersects with proven positive results.
We have hope in collaborative leadership for future IGR. It’s a better use of resources especially in light of expected fiscal stress in the future, and it provides opportunities for innovation in meeting localized conditions with unwavering commitment to vision and results.

However, we cannot forget the role of the leader. His/her role in hierarchies allows organizations to address routinized, mostly administrative, back office functions. They need to respond to the information and needs of the networked organization, and support the vision. We need organizations with great networks and hierarchies. Lester, Agranoff, and other researchers are advised to not only look at the utility of the hierarchy in a networked world, but identify how these two worlds interact, how leaders need to enable both of them, and how they can actually help each other.
Attachment 1

The Executive Core Qualifications (ECQ’s) define the competencies and the characteristics needed to build a federal corporate culture that drives for results, serves customers, and builds successful teams and coalitions within and outside the organization. The Executive Core Qualifications are required for entry to the Senior Executive Service and are used by many departments and agencies for selection, performance management, and leadership development for management and executive positions. They are:

1. Leading Change: continual learning, creativity/innovation, external awareness, flexibility, resilience, service motivation, strategic thinking, vision
2. Leading People: conflict management, cultural awareness, integrity/honesty, team building
3. Results Driven: accountability, customer service, decisiveness, entrepreneurship, problem solving, technical credibility
4. Business Acumen: financial management, human resources, technology
5. Building Coalitions/Communications: influencing/negotiating, interpersonal skills, oral communications, partnering, political savvy, written communications

Attachment 2

Leaders and leader/managers distinguish themselves from the general run of managers in the following ways:

- They think longer-term.
- They look beyond the unit they head and grasp its relationship to larger realities.
- They reach and influence constituents beyond their jurisdictions, beyond boundaries.
- They put heavy emphasis on the intangibles of vision, values, and motivation and understand intuitively the non-rational and unconscious elements in the leader-constituent interaction.
- They have the political skill to cope with the conflicting requirements of multiple constituencies.
- They think in terms of renewal -- both personally and organizationally.

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Performance Measurement and Accountability in the Intergovernmental System in 2020

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Paper written for the Symposium on Intergovernmental Relations in 2020: Theory and Practice

ASPA Conference
San Jose, California, April 9, 2010
Issues related to the intergovernmental system are often characterized by change and policy turbulence. The relationship between intergovernmental relationships and performance measurement is a classic example of instability and flux where the actors within the system change perspectives and roles as they respond to policy directives.

This paper reviews the efforts over nearly 25 years dealing with performance measurement and offers several scenarios that might emerge by the year 2020. Although one would expect there to be some continued effort to hold states and localities accountable for the way that they spend federal dollars, it is not at all clear how the federal government will structure those expectations and – similarly – how the states and localities would respond.

This paper focuses on the relationship between two extremely common but very imprecisely defined issues: performance measurement and accountability. Both terms are slippery and difficult to define. Yet the rhetoric surrounding them clearly suggests that while citizens believe they are linked they are not able to move much beyond the rhetorical association. There is an assumption (not always articulated) that the availability of performance data will provide both those inside the public sector and concerned citizens with information that will lead to more accountable behavior in the use of federal funds. This limited rhetorical link appears to support the view that citizens across the globe are skeptical about the ability of their governments to be accountable or able to perform as expected (Radin, forthcoming).

The public management literature indicates that more scholarly attention has been given to the various aspects of accountability than that of performance measurement. In
fact, many of the advocates of performance measurement have rarely moved beyond advocacy of the goals of performance measurement and have not made a significant effort to analyze the appropriate means of achieving those goals. Neither have many of them attempted to offer typologies or categories of reasons why performance measurement efforts work in some situations and not in others (Frederickson and Frederickson, 2007 is an exception). As a result, the problems that have emerged during the implementation of performance activities are not well understood nor posed in a conceptual framework.

**Early Expectations**

One of the original arguments for performance measurement came from intergovernmental actors. States and localities were concerned that many federal requirements attached to the expenditure of federal dollars were a form of micro-management. They viewed these requirements as ignoring outcomes of program implementation and, instead, focusing on input, process and sometimes output expectations. These expectations were defined at the federal level and tended toward a one size fits all approach. The arguments that were made for change asked the federal government to give states and localities discretion in terms of how they accomplished the goals but hold them accountable for the outcomes and results of that activity.

It was hard not to agree with this argument. It fit clearly into the agenda of many intergovernmental advocates who emphasized many differences between states and localities (e.g. differences in population characteristics, economic possibilities as well as political structures and cultures). The advocates argued that providing incentives for non
federal players to be creative would continue what Justice Brandeis termed “laboratories of democracy.” In addition, some of the advocates focused on the complexity of policy goals in many programs and the difficulty of focusing on a single approach across the multiplicity of federal programs.

These views were closely linked to the reinvention movement popularized by Osborne and Gaebler as well as others who called for significant shifts in the way that state and local governments were operating. Osborne and Gaebler emphasized the importance of measuring results; they wrote “Because they don’t measure results, bureaucratic governments rarely achieve them. … With so little information about results, bureaucratic governments reward their employees based on other things.” (Osborne and Gaebler, 1992, p. 139)

About the same time that these arguments were made about performance measurement, there were also those who emphasized the role that data and information played in the implementation of programs. These proponents of assessing performance through report cards (Gormley and Weimer, 1999) and accountability efforts related to contracting out and privatization tended to focus on impact of efforts at the service delivery level rather than the policy level.

Activities at the Federal Level

By the early 1990s, attention to performance measurement began to emerge at the federal level. The efforts that developed were, however, quite different in motivation than the proposals made by state and local governments. This set of experiences raises a number of questions about what happens when the federal government becomes active in
management reform efforts. One of the first questions deals with the determination of what part of the federal government is involved: is it the executive branch or the Congress? If the executive branch, is it the Executive Office of the President or the specific programs and policies within the federal establishment? Is the focus on the production of data or on the policy impacts of the requirements? Does the executive branch seek a single approach or a single set of requirements that is imposed on the system? If so, what part of the federal structure is responsible for overseeing the implementation of the requirements? Should the system that is devised pay special attention to the many different policy designs of federal programs, acknowledging that programs that are actually delivered by federal officials are quite different from those in which third parties have discretion to determine how the funds are used? If it is the Congress, is it the authorizing or appropriating bodies?

Preoccupation with these issues effectively switched the focus away from the issues created by the implementation of federal programs through the intergovernmental/federal system. It did not provide a context for federal agencies to work out the balance between the conflicting imperatives that are found in the US system. On the one hand, they are attempting to hold third parties accountable for the use of federal monies while, on the other hand, they are constrained by the political and legal realities that give third parties discretion in the way they use those dollars (Radin, 2001, p. 287).

Federal Performance Requirements

During the past decade, the concern about performance has taken several different
forms. Performance information has been touted as both a basis for future decisionmaking and as a mechanism to evaluate on-going performance. It is the basis for a federal law, the Government Performance and Results Act (GPRA), enacted in 1993 and implemented several years later with interest by both the Congress and the Executive Branch. It was also the basis for a process undertaken in the federal Office of Management and Budget during the Bush administration, called the Program Assessment Rating Tool (PART) which attempts to link Executive Branch budget and program recommendations to the performance of specific federal programs.

Both GPRA and PART – like a number of earlier federal management reform efforts – do not fit easily into the institutional structures, functions and political realities of the American system. That system is designed to include multiple values and players but both of the recent reform efforts focus almost entirely on efficiency values and PART, especially, focuses only on the executive branch (GAO, 2004).

Despite the array of management reform efforts over the years, couched in different guises and forms, few attempts to deal with management have resulted in much or significant change. This is not to say that some achievements have failed to emerge from the range of efforts but they are modest and, when effective, usually limited to the concerns of program managers. They do not often meet the expectations of the government-wide actors and seem to have created unanticipated problems in the intergovernmental system.

GPRA and PART repeat the tendency of architects of management reform to focus on what have turned out to be fairly ineffective approaches. The time and energy that have been expended in this process have created significant opportunity costs within
the federal government. Many of these reforms have been based on experience of others, borrowing ideas from the private sector, from local government, from the experience of parliamentary systems, or nations with smaller and more homogeneous populations. Too often these reforms have evoked a compliance mentality and cynicism among the individuals in the bureaucracy who are expected to change.

GPRA and PART are prime examples of the difficulty of dealing with federal management as a government wide strategy and set of generic activities and requirements. These initiatives are not associated with one political party or the other. Indeed, similar strategies were employed by both Democratic and Republican presidencies. In addition, the public administration community has supported efforts that focused on a set of institutions and processes that do not really touch the core of the nation’s decisionmaking processes. They operate largely as rhetorical entities without the ability to influence substantive policy and budgetary processes.

These two programs have become the legacy that sets the framework for the current Obama administration. They define a set of management issues that are often invisible to a broader public, even though the consequences of the decisions may be important. Indeed, Congress is rarely aware of these processes unless some crises is connected to them or they become visible through other actors (Radin, 2009). These activities are essential to the tendency of the Executive Office of the President to play a centralizing role. This occurs in its relationship to the agencies as well as its relationship to the Congress. Those who are responsible for carrying out management functions are attracted to a “one size fits all” approach. Both the centralizing tendencies and the “one size fits all” efforts clash with the intergovernmental
agenda that emphasizes the need for discretion with the intergovernmental system. In addition, both of these strategies minimize the expertise and discretion of agencies and departments (who are the officials who deal with state and local agencies), and ignore the role of Congress. This has led to a set of requirements that define agency accountability only in terms of a response to the Executive Office of the President with only limited attention to accountability to the Congress. This has also led to the development of management policies that approach the federal government as a monolith and minimize the substantive and management differences between programs and agencies within the government.

**GPRA: The Original and Driving Force of the Federal Performance Effort**

The Government Performance and Results Act (GPRA) is the legislative requirement passed by Congress in 1993 that requires all federal agencies to develop strategic plans, annual performance plans, and performance reports. These stipulations are implemented within the constraints and realities of the annual budget process. All of these requirements are supposed to elicit a focus on the outcomes that have been achieved in the use of federal resources and to justify requests for dollars in terms of both promised and actual outcomes.

On its face, the GPRA legislation seems quite straightforward -- indeed, almost innocuous. It clearly follows the tradition of past reform efforts within the federal government. In a report on the historical antecedents of the performance budgeting movement, the General Accounting Office concluded that GPRA “can be seen as melding the best features of its predecessors. … Nonetheless, many of the challenges
which confronted earlier efforts remain unresolved and will likely affect early GPRA implementation efforts” (GAO, 1997, p. 7).

There are a number of assumptions embedded in GPRA that have established quite difficult pathways to attain effective implementation. First, it assumes that a single piece of information will be able to meet the complex decisionmaking needs of both the executive and legislative branches as well as the multiple actors within the intergovernmental system. Second, the focus on outcome performance measures (and the avoidance of process and output measures) either denigrates the role of the federal government in many program areas or overblows its importance as it deals with third party actors. Programs that have developmental goals, for example, are often difficult to define in quantitative outcome terms. Third, it assumes that it is possible to directly link planning, management and budgeting processes through performance information. Fourth, it assumes that it is possible to avoid partisan political conflicts and the differences in policy constructs between programs (programs that range from efforts that are delivered directly by the federal government to those that are hands-off block grants to others, particularly state and local governments). And fifth, the imposition of performance measures focusing on outcomes establishes a set of expectations and processes that, according to a number of observers, moved agencies to emphasize more centralized relationships than were anticipated. In that sense, centralization not only emphasized the role of OMB vis a vis the program agencies but also led to a set of relationships between federal program agencies and states and localities that emphasized the ascendant role of the federal agencies. This occurred even when the federal fiscal contribution to the policy decision is limited.
PART – The Bush Administration’s Performance Effort

Most presidential administrations seem to want to put their own imprint on management reform efforts. In this respect, the George W. Bush administration was no different from many that preceded it. Although some believed that the passage of the Government Performance and Results Act (GPRA) in 1993 established an approach to management reform that both involved the Congress as well as the White House and was bipartisan in nature, the Bush administration created its own approach to performance management within the executive branch. Defined as an executive order, this initiative was implemented by the Office of Management and Budget (OMB) with the lead taken by the budget examiners for specific programs. While quite different in approach than the GPRA effort, the Bush administration described its initiative as linked to the formal authority provided by GPRA. (See Table 1)

Table 1: A Comparison of GPRA and PART (Radin, 2006, p. 123)

<table>
<thead>
<tr>
<th>Issue</th>
<th>GPRA</th>
<th>PART</th>
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</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Focuses on offices and organizational units</td>
<td>Focuses on programs</td>
</tr>
<tr>
<td>Branch of government involved</td>
<td>Both Congress and the Executive Branch</td>
<td>Only in Executive Branch, centered in OMB</td>
</tr>
<tr>
<td>Organizational approach</td>
<td>Bottom up, begins with program units</td>
<td>Top down, OMB must approve measures</td>
</tr>
<tr>
<td>Requirements</td>
<td>Multiple: strategic plan, performance plan, performance report</td>
<td>Performance measures</td>
</tr>
<tr>
<td>Approach to measures</td>
<td>Multiple types but highlights outcomes</td>
<td>Focus on efficiency outcomes</td>
</tr>
</tbody>
</table>
The Bush administration’s effort is called the Program Assessment Rating Tool (PART) and is viewed as a part of the Bush management agenda – the effort to integrate the budget and performance assessments. It has been described as including four purposes: 1) to measure and diagnose program performance; 2) to evaluate programs in a systematic, consistent and transparent manner; 3) to inform agency and OMB decisions for management, legislative or regulatory improvements, and budget decisions; and 4) to focus program improvements and measure progress compared with prior year ratings.

PART started as a small scale effort and reported information on 67 programs as a part of the FY 2003 presidential budget. Following that, it expanded the process to include 20% of all federal programs within the FY 2004 budget document (231 programs) and included an additional 20% of programs each subsequent year. Some changes were made in the requirements but the general format remained fairly consistent. Unlike GPRA which focused on agencies and departments, the PART analysis centered on specific programs. The OMB budget examiner for each program played the major role in evaluating the assessments.

Each of the programs that was “PARTed” was included in a special volume of the President’s budget document and was rated along four dimensions: program purpose and design (weight 20%); strategic planning (weight 10%); program management (weight 20%); and program results (weight 50%). Questionnaires were available to agencies (but completed by the OMB budget examiners) that were theoretically fine tuned to respond to the program type. Thus different questionnaires were given for competitive grant programs; block/formula grant programs; regulatory-based programs; capital assets and service acquisition programs; credit programs; direct federal programs; and research
and development programs. While this differentiation was included in the first set of requirements provided to the agencies, it did not continue in practice over the subsequent years and the differences between program designs were minimized.

Five categories of ratings were used to assess programs: effective, moderately effective, adequate, results not demonstrated and ineffective. Of the programs included in the FY 2004 budget document, 14 were rated as effective, 54 moderately effective, 34 adequate, 11 ineffective, and 118 results not demonstrated. In the FY 2005 budget document, 11% of the programs were rated effective, 26% rated moderately effective, 21% adequate, 5% ineffective, and 37% results not demonstrated (OMB, 2004).

The block and formula grant programs that were included in the PART analysis for the fiscal year 2005 budget indicate the special problems faced by these programs. During that year, PART analyzed 399 programs; 70 of which were designed as block-formula grant programs, and seven were designated specifically as block grant programs. Compared with all programs, the block-formula grants were rated least effective, and twice as many block-formula programs were rated as ineffective. Some block grants have a history of more active federal presence, while others have a clear agenda of relative autonomy for the grantees.

Looking only at the seven block grants, the pattern is even more divergent. No program was rated effective, and three (43 percent) were rated ineffective. The only block grant program that was rated as adequate was the community mental health services block grant. Yet its sister grant, the substance abuse block grant, was rated as ineffective. Both of the programs could be viewed as efforts designed with fiscal objectives that sought to operate within a broader funding stream and supported diverse
activities. But the PART framework did not provide a way to acknowledge those realities, and observers believed that the differences in rating were attributable to differences between OMB budget examiners (GAO, 2004)

Block grant programs are programs that are not expected to be implemented by federal officials. In fact, they (and other programs that involve third party players) are designed specifically to give discretion to others -- states, localities, and sometimes non governmental organizations. Yet PART assumes that federal officials should be held accountable for achieving a nationally defined set of standards and measures. It is not surprising, thus, that block grant programs have received lower ratings than many other program types. Programs such as the Community Development Block Grant received low scores because OMB did not support the discretion that is given to local officials to determine the approach to community development. Some communities focused on housing, others on infrastructure, others on economic development and still others on community organizing efforts. But OMB thought that this range of choice was too great and communities should be held accountable only for economic development approaches as they defined them. This was so despite the congressional action to frame the program design in a fashion that provided discretion for states and localities to define community development in their own terms.

It is important to remember that many of the grant programs involved policy areas that have been criticized by the Bush administration. These programs faced performance reviews highlighting the federal government’s oversight role, whereas the premise of block grants is that funds are sent to the states with various degrees of freedom from complex federal oversight requirements. Many states and local governments have their
own performance and accountability review processes; overlaying federal PART reviews has the effect of overriding state and local government self-management, contrary to the intent of block grant projects. This set of problems is likely to continue unless the OMB acknowledges that the federal role is passive, not active, in some program areas.

Some of the patterns of rating programs are not very clear largely because of variability among the OMB budget examiners. This variability was pointed out by GAO in its assessment of the process. Little attention was given to equity issues within the rating process. Rather, ratings emphasized issues dealing with efficiency values. OMB noted that every program should have an efficiency measure or be in the process of developing one. There is no discussion of equity goals in the instructions (OMB, 2004).

The more than 300 page document that was issued as a part of the White House budget does not give attention to protected groups (such as specific racial, ethnic or women’s) within the society.

**Accountability in Intergovernmental Programs**

The literature that deals with accountability and performance measurement tends to focus either on the federal level or the state/local level. That separation makes it difficult to find a framework that acknowledges the differences between the intergovernmental levels. Romzek and Dubnick provide a broad definition of accountability that is especially relevant to understanding its relationship to performance measurement and intergovernmental issues. They point to the multiple expectations involved in accountability relationships, writing that the US has the pattern of layering one kind of accountability mechanism upon another. These newly designed mechanisms
are not substituted for earlier mechanisms; rather, they are added to the mix and result in a pattern of multiple accountability relationships which vary in the source of control (whether it is external or internal to the agency) and the degree of control (whether it involves a high degree of control and close scrutiny or a low degree of control and minimal scrutiny) (Romzek and Dubnick, 1987). Romzek and Dubnick emphasize four different types of relationships: legal, political, professional and bureaucratic. They argue that the American political system, with its fundamental cultural norm of distrust of concentrated governmental power has made the accountability task of governance extremely complex. The American system of separation of powers means that legitimate performance expectations and accountability relationships emerge from diverse sources wishing to promote very different perspectives, roles, and often values.

Adding to this structural diversity is the historical tendency in the United States to layer one kind of accountability mechanism upon another (Light, 1997). As one kind of accountability problem or scandal emerges, mechanisms are designed to attempt to ensure that such an event cannot ever recur. The pattern has resulted in a complex situation where the four different types of accountability relationships included in the Romzek-Dubnick framework interact (bureaucratic, legal, professional and political relationships). This framework does provide a way to examine both issues that are relevant at the federal level and also acknowledge the role of state and local governments in the policy process.
**Figure 2: Romzek-Dubnick framework**

<table>
<thead>
<tr>
<th>Types of Accountability Mechanisms</th>
<th>Source of Control</th>
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<tbody>
<tr>
<td></td>
<td>Internal</td>
</tr>
<tr>
<td>Degree of Control</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Bureaucratic</td>
</tr>
<tr>
<td></td>
<td>Professional</td>
</tr>
</tbody>
</table>

**Bureaucratic accountability:** Bureaucratic accountability relationships are defined internally and exhibit a high degree of control. They are manifested in organizational roles, supervisory relationships, rules, standard operating procedures, and close, detailed scrutiny of employee or agency performance. The relationships are based on an expectation of obedience to organizational directives. This type of accountability emphasizes the approach to control that is found in the traditional approaches to the subject. It assumes that the pyramid that formally describes organizations actually results in controlling relationships. This approach to accountability clearly highlights a top down, federal government perspective and minimizes the role of other actors in the intergovernmental system.

**Political accountability:** Political accountability relationships derive from external sources but involve low degrees of direct control. They are manifested in a high degree of discretion for the individual or agency to choose whether or not to respond to the expectations of some key external stakeholder and to face the consequences of that decision. The relationship is based on an expectation of responsiveness to these stakeholders. Some of the stakeholders (for example, those in legislative positions) hold formal positions of
Many, however, are relevant to agency leaders because of the influence that they have within the broader political system. For example, interest groups do not have formal authority yet they often communicate their accountability expectations to agency officials and to Congress. This approach to accountability provides an opening for the interests of governors, mayors, legislatures and other general purpose government officials. These interests are often expressed through interest groups that represent the specific category of players. As such, they include both general purpose government and specialist groups.

**Professional accountability:** Professional accountability relationships derive from internal sources but involve low degrees of control and high degrees of discretion to the individual or agency being held to answer for performance. These relationships are manifested in deference to the expertise of the administrator (or agency) who is expected to exercise discretion in a manner consistent with the norms of professional practice relevant to the area of expertise. This source of control emanates from within the organization as internalized professional norms and standards. Rarely do these expectations result in formal accountability requirements. Rather, they are found in informal relationships within many organizations. This approach to accountability is likely to reach specialized actors in the intergovernmental system who have day to day relationships with program officials in federal agencies. These relationships are similar to those described by the classic iron triangle where program specialists communicate with one another across different institutional lines.

**Legal accountability:** Legal accountability relationships derive from external sources that exercise a high degree of control and scrutiny. They are manifested in oversight and monitoring activities. Some actor (individual or organization) external to the office or agency has an independent basis for scrutinizing performance, such as an auditor, a legis-
ative oversight hearing, or a court review of administrative practices. In addition, this approach to accountability includes the specifications that are found in authorizing legislation which formalize specific intergovernmental requirements. They also involve requirements that are included in court decisions related to third party players.

What About the Obama Approach?

It is clear that both GPRA and PART relied almost exclusively on the bureaucratic accountability approach that emphasized hierarchical and centralized control. In addition, PART especially devised a command and control approach as OMB and the White House played the essential role in defining performance measures and approving the sources of information that would be used to assess the accomplishment of those measures.

At this writing, however, the signals are not clear how the Obama administration will deal with performance measurement in general and its relationship to the intergovernmental system in particular. Some of Obama’s campaign language suggested that the new administration would delegate some degree of responsibility to the agencies and also be more attentive to the congressional role in the management process. Similarly, OMB Director Peter Orszag’s congressional testimony noted that the Obama administration would not continue the approach used by the Bush administration in the PART process. Yet it is not obvious where changes would be made or what would substitute for the past initiatives and whether the Obama team would continue the basic structure of GPRA and PART, emphasizing outcomes, a government-wide approach, and an emphasis on quantification of results (Radin, 2009).

While not directly related to the performance requirements, the Obama administration
reached out to the intergovernmental network during the process of crafting the stimulus package that sought to deal with the economic crisis in 2009. Participants in those conversations characterized them as important openings by the White House and were struck by their sensitivity to state and local problems (especially fiscal problems). At the same time, some of the appointees to the management positions within OMB represented advocates of past programs and individuals who emphasized the role of OMB and the White House in contrast to alternative approaches.

**Looking into the Crystal Ball**

There are a number of attributes of this topic that make it extremely difficult to read the patterns that might emerge in 2020. While there are clearly important relationships between performance measurement and the intergovernmental system, they have rarely been discussed in any detail. As in so many areas, these two elements are conceptualized as separate silos even though they often interact with one another. This is a part of the GPRA-PART heritage.

The debate about appropriate structures and expectations regarding US federalism is also hard to characterize. One group of discussants focuses on government-wide approaches and conceptual consistency over the very diverse federal policy and program portfolio. Others, however, argue that US federalism can only be discussed in the context of those separate and specific policies and programs. This frame of reference yields a very mixed product. Federalism in the US cannot be discussed as an aggregate whole but depends on the issue, the policy construct, and the level of conflict or agreement about the topic. And increasingly the discussion about US intergovernmental relationships is framed by fiscal
realities. A large portion of the stimulus package can be described as a federal bailout of state budgets. The increase in the federal contribution to states (e.g. in education) could actually change the balance of power between the federal government and states and lead to expectations that it is legitimate for the federal government to require achievement of federally defined performance measures.

In addition, much of the discussion about performance measurement emphasizes the technical issues involved in the availability, collection and analysis of information. Putting those questions on the front burner has had the impact of pushing the policy impacts of the process further back and effectively emphasizing centralized approaches to this set of issues as they sought technical consistency in their approach to information gathering.

Given these uncertainties, what can we say about these issues in the next decade? I believe that there are four questions that we must ask before sketching possible approaches.

First, should there be performance requirements at all that apply to federal programs that depend on implementation by state and local governments and other third parties?

Second, if there are requirements, who should define them?

Third, what should be contained in those requirements?

And fourth, who do we assume will use the performance information and for what purpose?

First, should there be performance requirements that apply to third parties involved in implementation? Federal systems, by design, require governments to trade off two competing values; the first value seeks to provide flexibility to non federal players while the second value seeks to find ways to make those players accountable to the federal government. There are federal countries across the globe that have differentiated between
programs that involve federal government implementation and those that provide resources to others (mainly state or local government) who will actually carry out the policy or program. Both Australia and Canada have moved to differentiate between those types of programs. In contrast, the US has actually made the trade off more difficult as it has moved to expand block grants (and value flexibility) at the same time it has increased performance requirements. The increase in funding from the federal level is quite likely to push expectations of increased accountability to them.

Second, who should define the requirements? There are several different approaches that might be considered. One could continue the pattern found in both GPRA and PART and establish future initiatives as government wide requirements. This would highlight the role of OMB within the Executive Office of the President and also look to the government operations committees in Congress to determine future requirements. An alternative way would be to focus on program specific approaches to performance requirements. One would look to program staff in agencies and to the authorizing committees and subcommittees in Congress. Still another alternative would reach beyond government actors and include groups that represent implementers of programs, recipients of services, and interest groups. The first approach is likely to emphasize the technical aspects of performance measurement while the second and third approaches would highlight the political aspects of the process.

Third, what are the substantive requirements that should be used? Future approaches to performance measurement might consider departing from the emphasis on outcomes and, instead, provide an opportunity for programs to determine whether measures might select from the full range of possibilities; as such it may include inputs, processes and outputs as well as outcomes. The determination of the type of requirements might follow definition of
different requirements for different program designs and acknowledge the great variety of program designs within the federal program array. Processes may be particularly important and requirements might involve specifications of who should be involved in defining goals and measures. This recalls the approach taken by some programs in the 1960s when grantees were told who to involve in decisionmaking but not what the result of those decisions would be. The recent interest in the effectiveness of checklists is a more recent example (Gawande, 2009)

Emphasizing this direction calls for shift in the role of OMB, moving away from command and control role to a facilitator role. For example, instead of determining the substance of specific performance measures, OMB could support training efforts or support and conceptualize technical assistance as peer to peer TA. It is likely that the most useful advice to program officials would come from their peers who have had to deal with similar problems, not from “experts” coming in from the outside. The facilitator role might also emphasize the provision of materials and frameworks that might be used but the decision would be up to the program needs. One of the impacts of this approach would be a movement away from an emphasis on information and data to highlight impacts on policies and cultures of particular programs.

*Fourth, who will use the information that is produced?* The early activity with GPRA rested on a belief that the information produced through the requirements would meet the needs of a range of multiple players. Political agendas often colored the way that information was used but institutional differences created even more variation. There was little recognition that Congress and the White House had different information needs, reflecting their cultures and decision processes. And in the Congress itself, there was almost
no attention to the differences between authorizing and appropriating committees and the
types of information that each would find helpful. Within the Executive Branch, the
information that was sought by both career and political program managers was quite
different than that required by department wide budget and management staff. Moving
beyond the federal level to states, localities and other third parties further painted a more
complex picture. The functional differences found at the federal level was repeated in the
third party players but the variations in responses across the country indicates how difficult it
is to establish the users of the performance information. The structure of federalism makes
this a very difficult question to answer or to predict responses.

In conclusion, one sees that four different scenarios emerge that are possible in the year
2020.

1. We could eliminate performance requirements for block grants and other similar
   program designs.

2. We could determine the type of performance requirements on a case by case, program
   by program basis. This might be done through authorizing committees in Congress
   and not through budget committees.

3. We could highlight process requirements rather than outcomes (such as requirements
   that specific actors be involved in the process).

4. We could continue the government-wide requirements found in GPRA and PART
   and attach those requirements to the budget process.
References


Agency Forms and Reforms: Institutional Design for State-Centric Networks and Block Grant Administration

Paper presentation for the 2010 IGR 2020 Symposium*

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Abstract:

The focal issue of this research is how state governments can reconfigure their administration of federal block grants to target policy benefits more regionally. The first section of this research discusses the problem states face in moving toward the collective targeting of benefits. A framework of state-centric networks is presented and suggests a variety of institutional arrangements that can facilitate more collective targeting. The paper then examines the theoretical consequences of agency reforms that mandate a more regional approach to the targeting of federal benefits. An empirical analysis is then conducted by examining agency reforms in the administration of the Texas Capital Development Program. Using both key informatnt survey data and programmatic outputs, the analysis demonstrates that reforming state-level agencies can facilitate collective targeting that results in a more regional approach to policy targeting. These findings highlight the importance of flexible and responsive state governments in the implementation of critical national policies both now and into the next decade.

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Introduction

The first decade of the new millennium leaves the legacy of an expanding role for the federal government as the primary engine of social and economic reform, but this does not point toward the nadir of traditional intergovernmental relations. The strong historical foundation of devolution suggests quite the contrary as the recent reliance on myriad block granting demonstrates. Whether in economic stimulus programs, energy policy, or homeland security, an expansive federal government leans more heavily upon the vertical networks with state and local governments to specify and to implement national economic and social reforms.

Therefore, we should expect important changes in the constitution of intergovernmental relations, but not a diminution of influence. In particular, the major social and economic problems in the previous decade and into the future strongly suggest that policy solutions require a more regional scale and approach, but state governments may be ill-equipped to deliver such benefits. As policymakers aggregate resources nationally to resolve problems such as economic restructuring and recovery, healthcare reform, and homeland security, state government administration tends to target benefits in a highly localized manner. More specifically, state governments have historically administered block grants with an eye toward regulatory compliance and parochial goals, which results in the flow of benefits from the federal government to individual municipalities, governments and special districts. Such individual targeting may optimize benefits within the geographic boundaries of recipients, but is unlikely to capture regional benefits arising from economies of scale, internalizing positive externalities, or prevention of negative spillovers.

The focal issue of this research is how state governments can reconfigure their administration of federal block grants to target policy benefits more regionally. The first section of this research discusses the problem states face in moving toward the collective targeting of benefits. A typology of state-centric networks suggests a variety of institutional arrangements that can facilitate more collective targeting. The paper then examines the theoretical consequences of agency reforms that mandate a more regional approach to the targeting of federal benefits. An empirical analysis is then conducted by examining agency reforms in the administration of the Texas Capital Development Program. Using both elite survey data and programmatic outputs, the analysis demonstrates that reforming state-level agencies can facilitate collective targeting that results in a more regional approach to policy targeting. These findings highlight the importance of flexible and responsive state governments in the implementation of critical national policies both now and into the next decade.

Boundary-Spanning Management in Block Grant Administration

Intergovernmental relations are largely concerned with boundary-spanning public management. On one hand, public managers must respect and represent governments that are organized around relatively explicit geographic and constitutional boundaries; but, enhancing the Pareto-optimality or redistributive equity that most policy interventions seek requires managers to work within networks that comprise governments within the same level (horizontal relationships) or between levels (vertical relationships). However, the targeting of benefits through state administration of federal block grants presents an increasingly tangled problem that requires both horizontal and vertical boundary-spanning management.
Dilemmas of Collective Targeting

The targeting of policy benefits from federal block grants presents what has historically been a vertical collective action problem that entails cooperation among actors at different governance levels simultaneously pursuing similar policy objectives (Feiock, 2009). More specifically, the vertical problem associated with federal block grants starts with the federal government nationally aggregating financial resources and then allocating those funds to state and local governments for the eventual benefit of individual citizens. Cooperation is a zero order condition because state and local governments must forgo some sovereignty over policy design and implementation. Yet, we commonly observe vertical networks of governments that organize to obtain funding, to allocate funding, to design state-specific policies, and to implement various programs consistent with both national and parochial objectives.

The cooperation necessary to form these vertical networks is primarily, but not exclusively, the result of hierarchical solutions to collective action problems. According to (Lichbach, 1996), hierarchical solutions to collective action problems are one of four general solution sets and employ the imposition of agreements between superordinates and subordinates, the monitoring of those agreements and the enforcement of those agreements. In the case of targeting block grant benefits, the federal government assigns oversight and implementation responsibilities to federal agencies who allocate funds to state governments, monitor state compliance with federal mandates, and enforce those mandates with the provision of selective goods (funding) or selective disincentives (no or reduced funding). State governments organize the sub-state cooperation using similar mandates, monitoring, and enforcement powers with local governments. Such state-centric, hierarchically-arranged networks are one subset of what Feiock (2009) calls managed or coordinated networks. For the purposes of this research, state-centric networks will be the term of choice to describe a broad set of institutional arrangements used to target benefits.

The hierarchical delegations of powers to agencies at the federal and state level, and then from states to local governments have historically resolved the vertical collective action problem inherent in targeting benefits, but targeting to individual jurisdictions results in benefits that are localized and internalized to the geographic boundaries of the local government recipients. The likely results include overspreading of benefits that reduce policy effectiveness (Schuck & Zeckhauser, 2006) or the failure to capture efficiencies of scale and externalities associated with a more collective approach associated with a more regional approach (Feiock, 2007). In sum, traditional institutional arrangements are seemingly designed to facilitate individual, rather than collective targeting. And, to the extent that collective targeting can capture efficiencies and enhance policy effectiveness, state-centric networks must develop institutional arrangements that facilitate the resolution of local, horizontal collective action problems within and across state boundaries.

Approaches to the resolution of horizontal collective action problems generally fall on one side of the analytic fault line between hierarchical and self-organizing solutions even though both solutions are often analytically linked (Lichbach, 1996). The institutional collective action (ICA) framework of analysis has successfully identified and analyzed numerous approaches to the challenge of the production and provision of public goods at the local level (Feiock &
Scholz, 2009) and local common pool resource management (Lubell, Schneider, Scholz, & Mete, 2002) for example. But, the problem of targeting federal benefits presents a different situation in that the regional delivery of federal benefits is a problem nested within the collective action problem described above. Consequently, solutions to horizontal collective action problems are more likely to be hierarchically-designed and imposed by federal or state governments. Feiock (2009) identifies this ICA as external or 3rd party enforced collective action, and the key enforcement actor in state-centric networks will be the state government. The central question, therefore, is how can state governments design the administration of federal block grant programs to implement vertical collective action (targeting) with an intention to allocate benefits toward regional targets (collective targeting). The next section presents a broad typology of state-centric networks to provide a framework for comparative institutional analysis and a potential map for reforms that facilitate collective targeting.

**Design Principles for Collective Targeting**

State governments hold the discretion to designate and to configure the network of implementation agents that accomplishes the collective action of implementing federal block grants. First, states select and design state-level implementation agencies that are primarily responsible for mediating the vertical relationship between federal agencies and local governments that deliver benefits to individuals. These state-level agencies are situated within the context of first-order devolution, in which a state agency circumscribes the authority of governing the program and targeting funds to local government recipients without intermediaries. In practice, federal agencies allocate funds to the state agency that in turn targets funds to recipient governments who directly deliver policy benefits. The primary discretionary attribute is whether the first order agency is functionally or geographically organized, and the secondary attribute is whether states will further delegate administrative powers to sub-state agencies. In preview, Figure 1 suggests six archetypical forms of state-centric networks result – functional and geographic agencies at the first order level and the four configurations of state-level agencies in hierarchical relationships with the two forms of second order agencies.

**Figure 1. Configurations of State-Centric Networks**

<table>
<thead>
<tr>
<th>Federal Government</th>
<th>Federal Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st Order Devolution</strong></td>
<td>Functional Agency</td>
</tr>
<tr>
<td></td>
<td>Geographic Agency</td>
</tr>
<tr>
<td><strong>2nd Order Devolution</strong></td>
<td>Mandated Collaboratives</td>
</tr>
</tbody>
</table>

State governments typically default to functional agencies in a first order devolution context, and consequently policy outputs are most likely to result in highly localized benefits that run counter to collective targeting. The targeting mission for functional agencies is to deliver
benefits to the public across many, if not all, eligible geographic jurisdictions, where eligibility is largely a product of individual level attributes of persons within a geographic jurisdiction. This traditional agency mission and intergovernmental position reinforce strong incentives to reduce the transaction costs of targeting benefits. More specifically, functional agencies target to comply with federal and state policy mandates, and they do so in a manner that reduces search and monitoring costs (Collins & Gerber, 2006). Therefore, functional agencies have strong incentives to fund easily identifiable individual, low risk targets and avoid the more costly search and monitoring (Collins & Gerber, 2008), such as the identification of and delivery of benefits to collective targets. The resulting targeting process is very vertical and commonly seen in the administration of No Child Left Behind programs in which state education departments filter funds to individual schools and districts with little regard for regional disparities or potential gains from collective targeting.

In contrast, first order geographic agencies are organized to target multiple and varied policy benefits to areas defined by regulation or statute. Their mission does not subvert compliance, but adds a mandate to serve geographic constituencies. If adequately specified, monitored, and enforced, geographic agencies have the incentives to over the additional transaction costs of serving geographic constituencies, as well as, targeting for compliance only. The statutory mandate compels the agency to bear additional transaction costs of collective targeting and obviates the necessity of lower level horizontal collective action. In essence, the costs of both vertical and horizontal collective action are internalized within the agency organization. Therefore, geographic agencies should demonstrate a greater collective targeting propensity than first order functional agencies. However, such stand-alone geographic agencies are uncommon, in part, because states can design implementation networks that employ additional levels of authority through sub-state agencies which produce at least four additional forms of state-centric networks.

When state-level agencies share or cede targeting authority to hierarchically subordinate agents, they engage in second order devolution with the first order agency becoming what Provan and Kenis (2008) might call lead agencies. The sub-state agents at the secondary level can be categorized as functional or geographic as well. Geographic agents are regional organizations most akin to governments in that their existence is defined through statutory or regulatory recognition of a governing jurisdiction and whose powers are similarly enumerated. Regional governments may be unitary organizations or membership organizations such as councils of governments, but the organizing principle is to facilitate boundary-spanning solutions across many policy arenas and many political jurisdictions. Functional agencies at this level organize in response to statutory or regulatory mandates that require collaboration across governments, but may or may not specify jurisdictional boundaries. These agencies may be unitary, such as a nonprofit organization, or self-organizing membership organizations in which governments with similar interests act collectively to attract federal benefits (Agranoff & McGuire, 2003; Mandell, 2001; Provan & Kenis, 2008). Adding another level to state-centric networks can either mitigate or reinforce the targeting tendencies of first order agencies, however.

If we work from the proposition that functional agencies are less likely to support collective targeting, then states can design hierarchical networks that potentially mitigate those
tendencies. Structuring relationships in which functional agencies use regional governments to allocate funding is the most obvious example. The non-entitlement CDBG program in the state of Utah is a case in point as the Utah Division of Housing and Community Development works through seven regional governments to allocate funding in a collective manner, i.e. an intentional targeting by region. A similar dynamic is possible in structuring relationships between functional agencies and mandated collaborative, but the structure of the mandate to collaborate will be influential. For example, state-administration of the Neighborhood Stabilization Program relies heavily upon a variety of legislative and regulatory mandates that program participants be groups of governments and nonprofits that can comply with federal objectives to reduce the impact of foreclosures and abandonment on local and state economies. The Nevada Housing Division targeted the Washoe County HOME Consortium that included the City of Reno, City of Sparks, and Washoe County as a collective target. Other states such as Michigan mandated collaborations and funding worthy agencies such as Habitat for Humanity-Michigan who then allocated funds to compliant jurisdictions spread throughout the state, which is more indicative of individual targeting. Therefore, the potential for second order agencies to counterbalance functional agencies depends upon the specification, monitoring, and enforcement of the hierarchical mandates between state and sub-state agencies that are designed to facilitate collective targeting.

Two other types of state-centric networks theoretically derive from hierarchical relationships with geographic agencies, but these configurations may not necessarily reinforce collective targeting. The combination of geographic agencies and regional governments is seemingly a mutually reinforcing arrangement that facilitates regional targeting at both first and second order devolution. Most non-entitlement CDBG programs in Texas fall under this arrangement and demonstrate the propensity for collective targeting. Hypothetically, this should be an optimal arrangement unless the boundaries of the agency mandate do not correspond to regional boundaries. So the likelihood of collective targeting may still be dependent upon the structure of the relationship between the state agency and regional governments. Arrangements between agencies and mandatory collaborative also hold the potential to mitigate collective targeting if the collaborative is functionally organized to bring together geographically disparate local organizations that could not leverage collective benefits. This type of mismatch is particularly problematic for homeland security grants that need to concentrate funding in high threat areas, but there are strong incentives to target large municipalities to the exclusion of the many smaller municipalities comprising a metropolitan region (Posner, 2003). The Regional Catastrophic Preparedness Grant Program is designed to deal with this problem by mandating state governments to employ second order devolution and select a single agent (whether mandated collaborative as in New York/New Jersey or regional governments as in Texas) to collectively target benefits to high threat regions.

This framework of state-centric networks promotes theory development to help explain network performance in the implementation of federal block grants and in particular the goal of collective targeting. Unlike other approaches to intergovernmental relations, this framework explicitly recognizes hierarchy as the impetus for organizing multiple governments across levels and horizontal boundaries to create the state-centric networks that implement core federal, state, and local policies. As such, the imposition, monitoring, and enforcement of mandates are the primary means by which institutional collective action problems are resolved. Yet, as Lichbach
(1996) suggests, any dilemma of cooperation necessitates multiple, simultaneous, and often nested, solution strategies. Thus, hierarchy is not the only solution in this context, but it is a theoretically focal point of reference given the nature of targeting policy benefits in federal block grants. Therefore, any comparative institutional analysis in this context must examine the specific requirements of agency mandates and whether sufficient monitoring and enforcement exists to induce collective targeting. Unless these elements exist is sufficient quantity and quality, hierarchy fails across all forms of state-centric networks. If these elements are sufficient, however, then the framework provides testable propositions about the degree to which some state-centric networks are likely to achieve relative more collective targeting.

The framework for identifying types of state-centric networks provides three general sets of propositions regarding comparative use of collective targeting, but two are of primary concern because the present the most direct pathways of reform. First, the framework suggests that in the context of first order devolution geographic agencies engage in collective targeting more than functional agencies. If we accept that functional agencies in the first order are default state-centric networks, then a reform from functional to geographic agencies should indicate more collective targeting and also provide a relatively low cost reform strategy.

A second set of propositions and reform strategies derive from the configuration of lead agencies and second order agencies. The key propositions and reform paths in this context should focus on the comparison of first order devolution to second order devolution within functional agencies or geographic agencies, but not a movement to second order devolution and across lead agencies. Assessing these reform paths first enables us to disentangle the effects of an additional level of delegation and the concomitant hierarchical structures from a change in lead agencies only. The core propositions compare lead agency targeting to that of the vertically expanded network under very restrictive assumptions. First, the movement from a first order functional agency to a more extensive network with regional governments will increase collective targeting, but delegation to a mandated collaborative will not. This proposition holds only under the restrictive assumptions that the hierarchy is sufficient to overcome moral hazard problems and mandated collaborative organize around function with no geographic influence. Under the same restrictive assumptions, a comparison of geographic lead agencies and the more extensive network suggest that delegation to regional governments will sustain or increase collective targeting, but delegation to functional collaboratives may mitigate collective targeting. Although tempting to compare second order networks across lead agencies, the framework and theory offered here are not sufficient to disentangle the confounding factors to make strong inferences about expected differences in collective targeting, and such comparisons would present the most costly and difficulty pathways of reform.

The concern about how states can reform state-centric networks is a practical one and should not be underestimated in theoretical assessment. In practice, differences in state-centric networks are nuanced and observable boundaries surely approach a continuum at the limit. However, this framework enables us to structure comparative propositions and build theory that among other things, explains the extent to which states implement collective targeting. The next section provides such an analysis of variation in targeting benefits that results from a first order devolution reform effort in Texas that moved programmatic block grant administration from a functional to a geographic agency.
A Case Study of First Order Agency Reform: The Texas Capital Development Fund

The federal government regularly allocates more than $100,000,000 of non-entitlement CDBG funds to the state of Texas. Federal law presents relatively broad targets for these funds in that eligible recipients include only cities with less than 50,000 persons and counties with fewer than 200,000 population. Funds must be used to meet one of three broad functions, but in practice, states rely heavily upon the function of targeting benefits to low-to-moderate income populations. The form of benefits vary broadly from housing and infrastructure to economic development and disaster response. Since the inception of the state-administered non-entitlement CDBG program, the state of Texas has apportioned about 10 percent of their allocation to an economic development program entitled the Texas Capital Development Fund (TCDF). Yet, the administration has changed, and the question is whether specific agency reforms have changed the targeting strategy of the program.

Agency Forms and Reforms

The Texas state legislature situated the TCDP in a functional agency, the Texas Department of Agriculture (TDA), for a majority of the program’s existence. As a functional agency, TDA holds a delegation of authority to implement laws and to regulate various aspects of the state’s agribusiness industry, which includes the promotion of that industry. This is a relatively narrow range of issues that might seemingly be tilted toward rural regions of the state, but as the agency readily explains, agriculture is a state-wide and urban concern as well. Like almost all agencies, TDA is subject to legislative review, but strong monitoring or enforcement are lacking for two related reasons. First, the chief executive of the agency is an elected position so there is little, if any, gubernatorial oversight. Second, as one of five non-congressional, state-wide elected positions, the commissioner’s seat is a common stepping stone to the governor’s office or US Senate. Consequently, whatever legislative oversight is exercised, tends to be muted. In sum, the TDA operates as a functional agency with a clear mandate, but weaker monitoring and oversight than a typical state agency.

In May of 2001, the state legislature created a new geographic agency to serve multiple concerns of rural regions in the state. The agency was originally named the Texas Office of Rural Community Affairs (ORCA), but later renamed the Texas Department of Rural Affairs
The legislative mandate created the independent agency by taking programs from other agencies and consolidating them under the authority of ORCA. These programs included the Center for Rural Health Initiatives (CRHI), previously associated with the Texas Department of Health, as well as the Texas Community Development Program (TCDP) and Local Government Services (LGS), both previously affiliated with the Texas Department of Housing and Community Affairs. Like other independent agencies in Texas, ORCA is governed by an executive board whose members are appointed by the governor, lieutenant governor, and House speaker.

The state legislature mandated ORCA to target programmatic benefits to rural regions with particular emphasis upon the non-entitlement CDBG programs. The bulk of the block grant had been under the jurisdiction of the Texas Department of Housing and Community Affairs (TDHCA), but lawmakers thought that the program needed to be the centerpiece for a rural agency. More specifically, the Select Committee stated, “To play a broader role in rural development, the program [CDBG] should have a greater degree of autonomy from TDHCA…. (Telford, 2000) 47.” More autonomy plus an agency mandate should have theoretically enabled ORCA to target federal funding to rural areas. Yet, the state legislature did not formally move the TCDF from the TDA to ORCA, but mandated that ORCA and TDA co-administer TCDF toward the goal of serving rural regions.

ORCA’s mandate included unusually strong provisions for monitoring and enforcement, including legislative review and oversight with traditional annual reports and sunset provisions. Yet, the range and incentive to monitor ORCA was unusually strong. Unlike more functional agencies, the state mandated that ORCA report on the well-being and condition of rural regions each year. This requirement to report about more than program implementation highlighted the geographic nature of the agency and the expectation that the politically difficult reform would make a difference to rural regions in the state. Consequently, the threat of sunset was credible and multiple monitors had strong incentives to track agency progress. More specifically, the three most (and generally equally) powerful politicians in the state appointed an executive board with authority to direct agency operations and to hire the chief administrative officer. And perhaps more importantly, the state mandate included specific provisions that required the agency to be an advocate for and representative of rural regions in Texas, even to the point of potentially relocating offices to rural regions of the state. In other words, the state legislature also invoked rural publics as monitors who would report on the agencies performance through various political and administrative mechanisms.

A comparison of pre- and post-reform TCDF administration presents a clear, but not clean, case study of a first order reform strategy that attempts to adjust from individual to more collective targeting. A clean example would involve the formal removal of TCDF administration from the TDA to ORCA, but the key elements for a comparative case study still exist. First, the state established a new hierarchical network with specific mandates for regional considerations and strong mechanisms for monitoring and enforcing agency compliance, which stands in distinct contrast to the previous network structure. Therefore, the expectation is that a change in the constitution of the state-centric network is associated with a more collective targeting approach in the TCDF even though ORCA did not have full administrative control over the
program. This situation not only provides a critical case study, but one that poses conditions that may mitigate against finding support for the theoretical propositions derived above.

**Methods and Findings**

The effects of this reform on the goal of collective targeting can be observed in at least two ways. First, we can observe whether key constituents of the geographic agency find the reform effort efficacious. Secondly, we can directly observe the policy outputs pre- and post-reform to find any changes in targeting strategy. Using these different perspectives enables us to triangulate theory, policy outputs, and constituent assessments to provide a more contextual examination of the proposition in question. Therefore, the following empirical analysis examines the effect of the ORCA reform during the period of 2000 to 2006, which captures the last year of unitary TDA administration and the final year of ORCA administration prior to their sunset review.

Constituent assessments of ORCA’s performance provide an indication of the agency’s compliance with the state’s mandate to serve rural regions. Key informants from rural regions hold significant stakes in the performance of the agency, and positive assessments suggest that the agency is publicly engaged in the regional mission, which is at least a precursor, if not a prerequisite, to changes in policy outputs. Data regarding these assessments are available from a 2002 and 2004 phone survey of key informants such as mayors, city managers, county judges, and leaders from non-governmental organizations in rural areas. The Earl Survey Research Lab of Texas Tech University conducted the survey with the author and Dr. Brian J. Gerber designing the instrument. Additional information regarding the sample frame and other details is in forthcoming research, but the 2002 survey had a sample size of 232 and the 2004 survey had 485 respondents. This research reports the findings from 130 respondents of both surveys. These respondents were asked to assess ORCA along two dimensions. First, respondents were asked to rate ORCA as an advocate for rural regions on a scale from one to five with one meaning a “very strong advocate” and five meaning a “very weak advocate.” Second, respondents had the opportunity to assess the effectiveness of the agency in “improving the quality of life for rural Texans.” Responses range from one to five with one meaning a “very effective” and five meaning “not at all effective.” Summary responses and difference of means tests are reported in Table 1 below.

| Table 1. Differences between 2002 and 2004 Respondents: Advocacy and Effectiveness |
|----------------|--------|--------|--------|--------|--------|
| Indicator      | N      | μ2002  | μ2004  | Difference | t-statistic |
| Advocacy Rating| 130    | 2.14   | 1.92   | 0.22     | 2.19 *    |
| Effectiveness  | 129    | 2.21   | 1.99   | 0.22     | 2.13 *    |

* p<.05

The results from the two surveys demonstrate that key informants found the agency in compliance with mandate to serve rural regions. Although not reported in Table 1, the mean responses in both 2002 and 2004 are statistically and substantively distinct from an indifference
rating of three on the response scale. More importantly, the scores for both advocacy and effectiveness indicate higher ratings over time that shows a consistent commitment to the regional mission. Such assessments also indicate a responsiveness to agency constituents that should portend or reflect changes in policy outputs. In this case, the output is a move toward collective targeting that is shown in a shift toward delivering TCDF grants to rural regions.

The following analysis models the actual allocation of TCDF funding to determine whether the reform effort affected a transition to collective targeting. Counties are the unit of analysis and the dependent variable is whether or not any eligible government in a county received a TCDF grant in the year of review. The following models focus upon the year 2000 or 2006 allocations. The former is the last year of TDA administration and 2006 is the fifth year of co-administration under ORCA’s mandate and the year just prior to sunset review. The models employ multivariate logit analysis to estimate the probability of receiving a grant as a function of focal and control variables that should reveal differences between individual and collective targeting strategies.

Given the federal and state mandates associated with administration of the TCDF funding, the models focus on four explanatory variables to assess targeting strategies under the different state-centric networks. First, the federal compliance imperative suggest than any implementation should target low-to-moderate (LMI) populations. This analysis includes a variable which measures the concentration of LMI population (\( \leq 200 \) percent of the poverty line in Census 2000) as a percentage of total county population. Increased concentrations should increase both demand for funding, opportunities for applicants, and willingness of state agencies to deliver funding. Since the state mandate for the program is economic development, we also include annual county unemployment rates as a potential compliance imperative. The final focus variable is the US Census designation of a county as metropolitan/urban (coded 1) or rural (coded 0). The type of county should be a significant factor in rural targeting under ORCA co-administration. In addition, the potential necessity to balance geographic with compliance imperatives such as LMI population does raise the possibility of interaction effects between county type and LMI population. Thus, the results from a baseline and interaction model for each year are reported in Table 2. These models also control for variables likely to influence the need, ability, and opportunity to obtain program funding. In particular, the models include an indicator of government capacity as measured by per capita government employees. The size and stability of the fiscal base of the county is controlled through variables that measure per capita tax revenues and the percentage of home ownership within a county. Finally, the models control for the number of governments within a county who meet the population eligibility requirements for the non-entitlement CDBG program.

The first two models of TDA’s year 2000 allocation suggest a compliance driven individual targeting strategy. TDA targeted funds to counties with LMI populations (all counties), but as the concentration of LMI population increased, the probability of funding decreased significantly in the baseline model with no other impact from focus variables. However, the interaction model demonstrates a pronounced positive relationship between urban counties and the probability of funding. This relationship is better interpreted through Figure 2 which translates the logit coefficients into probabilities based upon the interaction model. This figure demonstrates the probability of funding as a function of county type and LMI
concentration, holding all other variables at their means. In short, urban counties were much more likely to obtain funding than rural counties, at least until there were higher concentrations of LMI populations. At this point, differences between urban and rural counties are minimal, but so are the chances of funding. These findings suggest an individual targeting strategy because urban counties with large raw LMI populations (relative to similar concentrations in rural areas) present a target easy to identify and to hit – at least relative to smaller population, rural counties. In short, TDA could minimize the transaction costs of targeting by identifying the largest small cities and counties with the largest LMI populations in service to a compliance mandate. This analysis does not address the issue of how such funding matches the promotion of agribusiness, but the targeting of funds to urban counties with relatively large LMI populations and relative absence of rural funding does raise interesting questions for future analysis.

Table 2

<table>
<thead>
<tr>
<th>Focus Variables</th>
<th>Year 2000 Baseline</th>
<th>Year 2000 Interaction</th>
<th>Year 2006 Baseline</th>
<th>Year 2006 Interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment</td>
<td>0.172</td>
<td>0.116</td>
<td>0.142</td>
<td>0.113</td>
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<tr>
<td>Metro County</td>
<td>0.323</td>
<td>0.515</td>
<td>3.449*</td>
<td>1.929</td>
</tr>
<tr>
<td>Metro*LMI</td>
<td>--</td>
<td>--</td>
<td>-8.727*</td>
<td>5.428</td>
</tr>
<tr>
<td>Control Variables</td>
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<td></td>
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<td>Capacity</td>
<td>0.092</td>
<td>0.112</td>
<td>0.103</td>
<td>0.11</td>
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<tr>
<td>Tax revenue</td>
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<td>0.001</td>
<td>-0.001</td>
<td>0.001</td>
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<tr>
<td>Home ownership</td>
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<tr>
<td>Eligibility</td>
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</tr>
<tr>
<td>Constant</td>
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<td>2.844</td>
<td>2.357</td>
<td>2.868</td>
</tr>
<tr>
<td>LR</td>
<td>11.69</td>
<td>14.74*</td>
<td>10.21</td>
<td>12</td>
</tr>
</tbody>
</table>

Total observations = 191; robust standard errors;
*** p<= .01, ** p<= .05, * p<= .10.

Figure 2. Probability of County Receiving a Grant by County Type and LMI Interaction, 2000.
The 2006 year model of ORCA co-administration shows statistically and substantively significant differences that mark a transition to more collective targeting consistent with ORCA’s mandate. The baseline model explains little variance, but as we expected, the necessity to balance multiple imperatives highlights a different targeting strategy in 2006. Figure 3 facilitates a more substantive interpretation of the 2006 interaction model by showing the probability of funding by county type and LMI concentration. In contrast to the year 2000 model, there is little difference in the probability of funding between county types unless rural counties have higher concentrations of LMI populations. If so, the probability of funding increases significantly over similar urban counties. These findings have two important implications regarding the hypothesized effects of moving from TDA to ORCA co-administration. First, the ORCA reform seems to have mitigated the individual targeting strategy prevalent in the 2000 TDA administration. Moreover, the results suggest that ORCA’s counterbalancing influence resulted in a collective targeting strategy that emphasized rural areas of the state with economically at risk populations.

Figure 3. Probability of County Receiving a Grant by County Type and LMI Interaction, 2006.

Discussions and Conclusions

The utility of the TCDF case study and the underlying framework for analyzing the relationship between state-centric networks and collective targeting is found in three areas. First, the practical problems of administering federal block grant programs are not going away. We can easily observe that in a time of severe economic crisis and resulting social problems, the federal government has leaned heavily upon block grants as policy tools. Such reliance is magnified as state governments enter a period of sustained fiscal crisis that could lead to long term restructuring of state finances. All of which points to federal block grants as increasing
important policy responses to fundamental social dilemmas. Yet, the long history of devolutionary management has not resolved inefficiencies associated with overspreading benefits and failing to capture the efficiencies associated with regional governance. Our inability to do so is no longer politically or administratively tolerable. Fortunately, the finding in this research suggest that feasible solutions exist with the reconfiguration of state administrative agencies that can facilitate both vertical and horizontal collective action problems. In this context, the beneficiaries are residents of rural regions, but there are no conceptual barriers to other forms of geographic agencies or second level devolution arrangements that address problems ranging from homeland security to environmental management.

The second benefit of this research is the recognition that state governments will remain central to successful intergovernmental management. Much past scholarship examines state governments as a discrete entity in intergovernmental relations, but this research encourages us to reconceptualize states as a central node in vertical governance networks. As such, states are multi-agency and multi-level actors who can leverage more efficient and effective results from traditional policy forms. States hold not only the strategic position to improve federal policies, but they also demonstrate a consistent willingness to innovate toward those goals. This research examines only one of the key propositions, but the great variety of state administration presents many opportunities to explore pathways of reform from first to second order devolution. Practitioners and legislators will continue to innovate, so the question is whether scholars can facilitate that innovation with better theory and empirical research.

This research attempts to move that effort forward through the develop of a framework of state-centric networks that provides several testable propositions. At this stage in the scholarship of intergovernmental relations, we are still struggling to conceptualize the rapid innovation of practitioners. But that struggle is one worth fighting. The framework of this research provides a useful contribution to this discussion by directing our attention back to some fundamental principles of organization and collective action. Namely, hierarchy matters. The design of state agencies and vertical relationships through legislative mandates, monitoring, and enforcement remain an important means of resolving collective action problems inherent in policy solutions. Yet, this solution set is easily overlooked as we examine the interesting, complex problems of horizontal collaboration, especially at the local level. However, the complexity of problems during the next decade will likely require deeper and more expansive cooperation at both the vertical and horizontal levels. Specifying a typology of state-centric networks and applying that framework to real world problems is a first step toward redefining the objectives and constitution of intergovernmental relations in the next decade. Changing intergovernmental relations are to be expected and hopefully directed with sound design principles that ensure the long term relevance of state and local governments as solutions to boundary spanning public management for the long term.

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Introduction

Beryl Radin’s paper “Performance Measurement and Accountability in the Intergovernmental System in 2020” examines a timely topic. The paper is useful to both academics and practitioners because it: (1) highlights scholarly work in the performance measurement and accountability fields, (2) contrasts the management reform efforts of both the Clinton and George W. Bush administrations, and (3) elaborates on various tensions at the federal level that may affect the intergovernmental approach in 2020.

Radin’s Central Arguments

Radin critically examines the popularly held view that the availability of performance data will provide government actors and the public with information that will lead to accountability in the use of taxpayer dollars. (p. 2) She expresses reservations that management reform efforts have resulted in much or significant change. (p. 6)

She contrasts the Government Performance and Results Act (GPRA) enacted in 1993 with the Program Assessment Rating Tool (PART) launched as part of the presidential budget in 2003. She concludes “GPRA and PART repeat the tendency of architects of management reform to focus on what have turned out to be fairly ineffective approaches.” (p. 6) She notes the focus of both GPRA and PART reflects the tendency of the Executive Office of the President to play a centralizing role with a “one size fits all approach”. Such federal efforts clash with the intergovernmental
agenda that emphasizes the need for implementation discretion at the state and local level.

Radin builds on an accountability relationship framework offered by Romzek and Dubnick in 1987 that focuses on the sources and degree of control ranging from the bureaucratic (high control) to the political (low control). She highlights the historical pattern in the United States of layering one kind of accountability mechanism upon another.

While acknowledging the difficulties of looking into the crystal ball for 2020, Radin concludes with four different scenarios that may emerge over the next decade. These range from the elimination of performance requirements for federal block grants to continuation of government-wide requirements found in GPRA and PART, with the additional feature of attaching these requirements to the budget process. (p. 23)

Comments

As a state-level participant in the intergovernmental system for more than three decades, I appreciate Radin's acknowledgment of the state-local desire for degrees of discretion in how federal policy goals can be accomplished rather than a “one size fits all” approach. (p. 2) I also concur that performance measurement and accountability are both terms that “are slippery and difficult to define” (p. 2) and often mean different things to different participants at the local, state and federal government levels.

While Radin asserts (p. 6) that GPRA and PART do not fit easily into the institutional structures, functions, and political realities of the American system,
readers would benefit from knowing what changes the author would suggest so that performance and accountability measures might be better structured to do so.

With regard to the paper’s comments on the Obama administration’s approach to performance measurement and accountability, I found several references confusing. The author concludes (p. 7) that GPRA and PART set the framework for the current Obama administration, in effect locking the administration into the approaches of its predecessors. However, she then notes (p. 18) that the signals are not clear regarding what changes may be made or alternatives pursued in the performance arena. Going forward, I believe it would be instructive to examine the administration’s approach in its “Race to the Top” initiative or its suggested changes to the No Child Left Behind (NCLB) Act in order to draw more definitive conclusions about its views on performance measurement and accountability.

Radin cites both Romzek and Dubnick (1987) and Light (1997) when pointing out the “historical tendency in the United States to layer one kind of accountability mechanism upon another.” (p. 14 & 15) This is a point I believe deserves elaboration. Not only is this tendency evident when the federal government layers its own requirements but it can also occur when the federal government layers its requirements over existing state accountability systems, or when the states take the same approach with local governments. In my view, this complexity can lead to less accountability and less transparency of governmental services for the public. The following California example highlights this point.
The State of California established its public schools accountability system in 1999. Federal law at the time allowed states to craft their own sanction and intervention programs. When Congress passed NCLB in 2001, however, the rules changed. The new act required all schools in the country to be part of the federal accountability system and utilize its specific interventions and sanctions. The end result was two accountability systems with different ways of measuring student performance. California’s Legislative Analyst’s Office has written extensively on the unwieldy system that has resulted. (See for example Analysis of the 2003-04 Budget Bill, pages E-113 through E-131) The office concluded that integrating accountability programs would reduce duplication of effort and contain costs. Integration would also create a more consistent and coherent accountability system. In short, the layering of these accountability systems has not served the public well.

Radin recognizes a current dilemma at the conclusion of her paper, namely “increasingly the discussion about US intergovernmental relationships is framed by fiscal realities.”(p. 19) From my perspective, this is a key point to recognize when reflecting on performance measurement and accountability in the upcoming decade. The public is demanding government accountability. Politicians, on both sides of the aisle, are paying attention. Given fiscal constraints at all levels in the intergovernmental system, each level of government in the next decade will likely employ performance and accountability strategies despite the lack of consensus on what these terms mean. For this reason, I think Radin’s 2020 scenario that highlights process requirements rather than outcomes is very unlikely.
A possible additional scenario to consider comes out of the California example noted above. In 2020 when a state’s accountability system meets national goals, such as improved student achievement, the federal government adopts that system, and allows the individual state to move forward without the added layer of a federal accountability system. Under this scenario, federal accountability rules only would apply to those states without a system that meets the national goals. The objective of this divergence from the “one size fits all” approach is improved accountability. It is important to recognize, however, the challenge such an approach presents to federal decision makers given their desires to achieve their public policy objectives in individual program areas. The potential taxpayer savings and coherent accountability approach that would result, however, would hopefully offset the downside “risk” of reduced centralized control from the federal perspective.
The Challenges of Interdependence and Coordination in the Bilateral Agenda: Mexico-United States

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Abstract

This paper explores the impact of the interdependence of federalism in North America, specifically within and between Mexico and United States that share one of the most complex borders in the world. The nature of the problems as neighboring nations will face in the next decade, suggests that we are facing a growing set of issues that are undermining the ability of a federalism focused on the principle of separation of powers, where the point is: which government responsibility face a problem? On the contrary, the intensification of interdependence should lead us to ask: which combination of governments, compete tackle the problem? Although obviously the need for coordination will be greater, what is needed to effectively address these challenges, is a kind of coordination that can only come from a holistic approach. In this context, at least, two things are imperative, first, recognize that the responsibility and management of the critical issues overwhelm governments within each federation, and, secondly, extend this premise to the relationship between the two countries. Thus, in the binational coordination, there are no shortcuts, because the power of decision and the willingness to implementation are still rooted into the countries. This means that the effectiveness of actions between Mexico and the United States will depend on the existence of comprehensive policies on both sides of the border, which can only be achieved through a systemic action, structured on the principles of federalism. In the coming decade, the governments of both countries should take firm steps in that direction.
Introduction

Federalism in many parts of the world is experiencing considerable pressure for change and innovation. The bulk of this pressure is due to demand for greater collaboration within and between different levels of government. In the present circumstances, marked by an unprecedented increase in the interconnectivity and interdependence, the viability of this form of political organization relies as never before, on the complementarity and cooperation. Although one of the most important aspects of the federal system is the recognition that there are different issues that require policies and institutions located in different levels of government, continue to grow the issues, where it is difficult to conceive solutions that do not involve joint action by organizations belonging to different governments. Interdependence affects particularly Mexico and United States, neighboring federations that share a common set of problems --such as immigration, drug trafficking, organized crime, arms trafficking, environmental degradation-- that seriously affect the lives of its citizens, and whose solution requires a new level and innovative forms of bilateral coordination. The paper is divided into four main sections. First, it considers the growing interdependence and its effects on federalism through the equation of Elazar, who defines federalism as self-rule plus shared rule. Secondly, it examines the theme of interdependence within and between Mexico and the United States as federal countries. Third, it outlines seven scenarios, which as a whole, give us an overview of needs and coordination problems associated with the resolution of bilateral issues. Finally, in the conclusions, it argues that, the possibility of dealing effectively with these issues, demands the existence of comprehensive policies on both sides of the border.
The Growing Interdependence and its Effects on Federalism

The need to address common issues, and therefore the mutual dependence, have been present in the federation, since its origins. However, obviously, in current times it has increased significantly. Growth in the issues to be addressed in the intergovernmental arena, both regionally, nationally and even internationally is unprecedented, and is expected to continue growing, spreading to new areas of public policy. In the contemporary world, the local and national problems increasingly have to do with factors and decisions that come from faraway places. These realities, are gaining presence in the world becoming more interconnected, at different scales: local, regional, national and global. This interdependence has important consequences for the functioning federal system, because the achievement of greater coherence and effectiveness requires increased coordination efforts in new ways or little explored ones. Interdependence makes more complex the task of government, increasing the difficulty of acting, inefficiencies and of course, conflicts.

The analysis of the equation proposed by Elazar to define federalism may be useful as a starting point to explore how the nature of this model of political organization has been changing in those societies that today are governed under its principles:

\[ \text{federalism} = \text{self rule (or self-government)} + \text{shared rule (or shared government)} \]

There is a defined relationship between the degree of interdependence and the level of self and/or shared governance. The proportion of one or the other, is in direct ratio to the degree in which institutions that belong to different governments with the same or different level, must work together to achieve a common goal. This means that the relations of governments are crucial in the implementation of policies concerning the treatment of problems or issues of crosscutting nature, which cannot be solved rather than a coordinated
manner. The graphical representation of the above statements can be expressed through the following model:

Interdependence and Expansion of the Common Areas of Decision in Federal Model

The definition of the variables of the model can be formulated as follows:

*Interdependence.* Degree to which institutions that belong to different governments, with the same or different levels must work together to achieve a common goal. The level of interdependence characterizing any particular problem will influence the capacity of government to solve the problem. As (Peters, 2005) argues: the political requirement of coordination will mean that more interdependent problems are likely to be more difficult to resolve. In this sense, the effectiveness of the final decision-making process depends largely on the ability of interaction and negotiation, intra and intergovernmental.
Coordination scenarios. This variable refers to the linkages that governments and their organizations should establish to address a specific issue. According to the nature of the organizations involved, the scenarios where they interact can be sectoral, intersectoral, intergovernmental and international (bilateral and multilateral).

Coordination requirements. These are structural to the federal system, and are directly proportional to the level of interdependence, as well as to the number and type of institutions responsible for intervening in a public affair. Even when the demands for coordination come from several factors, for purposes of description of the model, we highlight the impact of problems that cross jurisdictional boundaries, causing that various governments are involved in their resolution.

Area of autonomous operation. Represents the sum of the territorial areas and areas of public policy where the governments have exclusive powers to regulate and manage part of public affairs.

Self government. Linked to the previous, this variable refers to the possibilities of a governmental organization to act effectively on their own or unilaterally, in addressing an issue or public issue.

Area of shared decision. Conforms the amount of territorial and policy areas in which organizations of different sectors and governments must work together to achieve mutually beneficial goals. This is an expanding class of functions involving more players, which presence wins specification and recognition, both at the constitutional level, as in secondary legislation.

Government Shared. Constitutes a government exercise based on the recognition of relationships of mutual dependence. This course of action does not replace self government,
moreover, it recognizes and integrates: *shared government = self government + coordination*. In other words, this is a decentralized but coordinated action.

In short, at least three points can be inferred from that indicated above:

- By its crosscutting and complex nature, the current public problems increasingly beyond the jurisdictions and political and administrative capabilities, expanding areas of common decision.
- Thus, despite the fact that in federalism, the distribution of formal competencies encourages independent government performance, the reality is that the "mixed jurisdictions" and zones of interaction are growing in importance, and therefore, the needs for cooperation are unavoidable.
- The efficiency and effectiveness of government in a federal system increasingly depend on the level of coordination that enables a joint work: based on the strengthening of self government, and simultaneously in the development of mechanisms of co-government.

Saved proportions, in essence, these inferences also apply to international relations, where areas of shared responsibility grow among countries, moreover, as in the case of Mexico and United States, federations that share a geographical border of over three thousand kilometers. In other words, it is not possible to arrive at effective binational policies if they do not rely on coordinated national policies

**Interdependence Within and Between Federations: Mexico-United States**

In our case of interest, the degree of interdependence is a result of sharing one of the most complex and dynamic boundaries of the world. For Arturo Sarukan (2007: 2), ambassador of Mexico in United States, the bilateral relationship is critical, and define it as follows:
“...no country has such a direct profound impact on Mexico than the United States. No country has such a profound and direct impact on the well being of the United States than Mexico”.

Also argues, post 9/11, a perception of threat to the security of the United States will have a very profound impact on the bilateral relationship between Mexico and the United States. In short, the links between foreign policy, national security and border security will have a significant effect on how both countries interact with each other.

According to the Mexican diplomat (Sarukan, 2007: 5), in a very intricate nature of relationship such as the one between Mexico and the United States effective management of the neighborhood requires at least two assumptions: no surprises and the ability to share the issues affecting the bilateral relationship. This means, that given the way this relationship is evolved, increasingly Mexican politics aren't just domestic, they have an undomestic effect specially on our neighbors and the same is true the other way. He adds:

“...if we are going to do or we are going to implement policies which have that potential, there we don't catch one another off guard, that we are able to anticipate the consequences of political actions on both sides of the border”.

Therefore, given the level of interdependence among these countries --where national policies are largely a matter of foreign policy-- the need for coordination within each country must be considered together with the need for coordination between the two federations. In the following figure, we represent the dimensions of interdependence through the intersections of the intergovernmental nature that occur within each country, at a binational level, and therefore, between internal and external policy in both cases:
With the growth of areas of common decision the domestic policy demands, within countries, greater coordination between government levels and simultaneously, greater coordination at bilateral level. The national issues and problems interact with the binational ones, and the latter interact with what goes on at the local level. With interdependence, these layers become increasingly interactive and permeable. Like it or not, recognized or not, the interaction of the two countries shows a higher level and broader scope. Structural links between internal and external becoming more permeable and receptive national agendas to what happens in another country, which in turn means that in both cases, the countries have less control over their own agendas.

As two neighboring countries organized under the principle of federalism, interdependence means that although the agenda of public policies can be more binational, the modalities of implementation continue to be local.

Before proceeding further, it is necessary to clarify that we understand the governmental coordination as: a complex task, essentially political, which is essential for
joint action by government, that by means of formal and informal, is related to activation, tuning and organizing efforts dispersed with the reconciliation of interests, compatibility autonomy and harmonization of methods of action, as well as the management of interdependencies within and between different scenarios of government activity, in other words within and between institutions, sectors, levels and branches of government, as well as interaction with social actors and institutions of international character.

In the context of a federal system, where although the levels of government have their own spheres of competence, but in the same way that there are jurisdictions difficult to define and common areas of activity, rather than being the prerogative or responsibility of any of its parts, coordination should be a systemic feature. In such environments, formal and informal coordination occurs in virtually all stages of implementing a program, and at each level of government.

Therefore, when talking about coordination we do not intend to say that this is a panacea. Coordination cannot solve the lack of a community of interest, incompatibility of goals or a lack of skills or resources, but may contribute to a more efficient way of governing through the appropriate location and interrelationship of the various elements that are required to produce a certain effect or result. Coordination is not everything, but in this case is a prerequisite for bilateral action, coherent and comprehensive.

**Addressing the binational issues: Coordination Scenarios**

In this context, it is necessary to reflect on the analytical and operational implications that the interdependence has on the task of government, specifically the impact on policymaking. Our analytical perspective, based on the idea of scenarios, has as its premise, that today more than ever, government institutions need to address and manage
simultaneous relationships with the internal and external environment, in terms on internal consistency and external connectivity. By this way, it is proposed the idea of *scenarios* as analytical units related to the contexts where the government action occurs. With this, we seek to offer an overview of the needs and problems of coordination related to bilateral agenda

First, we refer to the stage of **defining the bilateral agenda** with the aim to highlight that despite the similarities in the issues of bilateral interest, there are significant differences in strategies and approaches. As Peters (2005) argues, the first stage in the process is to define what the problems are about. This can be a very difficult question for the ultimate resolution of the issue and for the type of response from government. In the following two scenarios, we placed the interactions that occur within and between different sectors of government to which we respectively call: **Sectoral** and **intersectoral**. The relationships between federal, subnational and municipal governments are located in the *intergovernmental* arena. By sharing a border of over three thousand kilometers, the **border** is very important in the relationship between Mexico and United States. In this scenario, we place the relations between adjacent states, as well as the actions of government based on a border. The **binational** scene has to do with the set of bilateral interactions between governments and representatives of both countries. Finally, the **legislative** arena is one of the points required in the itinerary of the policy, first by the relationship between Congress and the executive branch, and second, because the similarities or differences in the laws of both countries can support or affect bilateral actions. See figure below:
The list of scenarios for coordination mentioned, is neither exhaustive nor sequential, but may reflect processes closely concatenated with overlap and mutual impacts and implications. We believe that working on this idea of scenarios, could recover the differentiation of each field in which the action of government takes place, too frequently addressed in isolation from each other and trying from there to locate and to explain the problem of coordination from a comprehensive look. Therefore, it is not intended to suggest "new" settings of government activity, but refer to a set of relationships that have become more significant to the activity of government itself, and therefore, to study it. Taken together, the scenarios represent the complexity of the governmental affairs of our time, which illustrate the bilateral issues.

On following pages, a set of examples illustrate some of the significant challenges of coordination, which affects the potential to respond effectively to problems that affect both countries.
Defining the Bilateral agenda

The problems as neighboring nations will face in the next decade, Mexico and United States, are problems that have worsened. One cause of this is because an inadequate approach persists about them. An overview of the domestic and shared agendas of both countries reveals many discrepancies. First, the variation among the major themes that focused the public interest in each case, and second, because even if there is agreement on bilateral issues the way they are defined can vary markedly, and third, because the governments of each country assigned to them different priorities.

The opinion of Jorge Bustamante (2008), president and founder of El Colegio de la Frontera Norte, exemplifies the divergence in the conception and approach to overcome the negative issues related to common problems:

“One important thing that I think it’s something that should be discussed is that the US government insists that the question of the immigration particularly undocumented immigration is a question of a domestic nature. That is the official definition maintained by the US government, and whatever problems derive from that should be dealt as a domestic question and that is based on the unilateral decisions of the US which are basically a police nature or military nature”.

Similarly, Aristide Zolberg director of International Center for Migration, Ethnicity, and Citizenship considers that the question of immigration is by definition bilateral or multilateral in the roots, in the causes, and consequences; therefore, a phenomenon that cannot be solved by unilateral decisions. (Zolberg, 2008). There is resistance to admit that the demand of labor force of immigrant workers, documented or undocumented is produced by endogenous factors in the United States. At this point, we should note that the State of California that produces one third of the total agriculture of the US with a labor force that is
close to 90 percent of Mexican origin, and the US economy depends so much of the economy of the Agriculture production.

Thus, while the position of the United States leads to measures that attempt to deal with immigration problems in their own territory, Mexico's position is that it is necessary to consider the phenomenon of immigration as a matter of a bilateral or multilateral. So it is clear that if the United States insists in dealing with the immigration as a domestic problem, there will never be a solution because the phenomenon is by definition bilateral or multilateral problem.

Closely associated with how governments define the bilateral issues, is the priority given to them. At first glance, it is paradoxical that despite the proximity, interdependence and potential risks represented by the border with Mexico to the security of the United States, it appears to be more important on its agenda the Middle East, Iraq or Afghanistan issues. According to Barry McCaffrey (2009), who was in charge of drug control policy during the Clinton administration, the Merida Initiative was $400 million a year and a lot of political guff -- bad public rhetoric. While Afghanistan is $2.4 billion a month and Iraq is $12 billion a month:

“So the final message is, and we're involved in it. You know, this is 2,000 miles of barely marked border, and that criminal enterprise is in 295 major U.S. cities, and we've got to be supportive[…] So where are our priorities? Wake up. Pay attention. Get engaged. Treat these people with respect and understand it's a 25-year problem”.

He adds that the policy of the United States has been arrogance and ignorance.

Although the regional approach that is attributed to the Merida Initiative, in terms of resources, its scope seems to be very limited, only 400 million dollars a year compared with
the amount of money that is coming out of the U.S. for drug cartels. No one knows exactly what the drug market is, but most of the estimates are at least $20 billion going back across the border.

In terms of priorities, for Arturo Sarukan (2007: 5), ambassador of Mexico in United States, it is frustrating the ability of people to understand the synergies:

“…the strategic synergies between Mexico and Unites States sometimes dumfounds me in terms of how little people on both sides of the border in Mexico and United States understand the strategic nature of the relationship. And regardless of the fact that they are today probably more pressing issues on the geopolitical agenda of the United States, Iraq and the Middle East and Iran and North Korea; -just to name a few, does not mean that if you look at the day-to-day impacts, on the daily lives of millions of Americans and Mexicans”.

There is no more important bilateral relationship on the face of the earth than the US-Mexico bilateral relationship; specially when measure how the relationship, and the way the relationship affects the daily lives of millions and millions of Mexicans, Americans, and Mexican-Americans in the Unites States.

In summary, if an unilateral and extremely sovereignist conception on these matters prevails, it is logical to expect the United States attempting to continue the battle predominantly in the periphery and by force, reducing the chances of reaching binational agreements, decreasing severely the effectiveness of bilateral actions currently carried out.

**Sectoral and intersectoral coordination**

The transversal nature of the main social issues is that these are not matters which concern only one sector or level of government, thus, answers are needed on two levels. In the first case, requires multisectoral policies based on the combined efforts, expertise and resources of different agencies within a government. In the second, also implies
coordination between the institutions that belong to different governments with the same or
different level. The "transversality" and "intergovernmental" patterns of response are
increasingly necessary for governments in a complex environment, but they are also a
manifestation of their internal complexity. Most of the major social issues of our time have
become crosscutting because their attention does not depend on a single ministry or
department, but "fall" into a zone of mixed jurisdictions. Of course, the bilateral issues that
occupy our interest are part of this category.

We can illustrate this with the arms trafficking problem. On the United States side,
the agencies that have an important role in this area are: the Department of Homeland
Security (Customs and Border Protection (CPB), Immigration and Customs Enforcement
(ICE), and U.S. Coast Guard), the Department of the Treasury (Internal Revenue Service-
Criminal Investigations Division (IRS)), and the Department of Justice (Bureau of Alcohol,
Tobacco, Firearms, and Explosives (ATF), Drug Enforcement Administration (DEA),
Federal Bureau of Investigation (FBI), Organized Crime Drug Enforcement Task Forces,

These agencies are involved in programs focused on border security by providing
inspection equipment and associated tactical training to support inspection capabilities of
police, customs and immigration. Funding also supports equipment and specially trained
canine teams that will pursue drugs, bulk cash, explosives and other contraband. They also
have the responsibility to facilitate the real-time interchange of information related to
potential counterterrorism targets.

In addressing complex issues such as arms trafficking, failures of coordination
occur within and between different government sectors. In one study, the United States
Government Accountability Office (GAO), warns that the primary agencies implementing efforts to address this issue, the Bureau of Alcohol, Tobacco Firearms and Explosives (ATF) and Immigration and Customs Enforcement (ICE), do not consistently coordinate their efforts effectively, in part because the agencies lack clear roles and responsibilities and have been operating under an outdated interagency agreement. (GAO, 2009, 29) This has resulted in some instances of duplicated initiatives and confusion during operations. Additionally, GAO found agencies lack systematic analysis and reporting of aggregate data related to arms trafficking. They were also unable to provide complete information on the results of their efforts to seize firearms destined for Mexico and to investigate and prosecuted cases.

**Intergovernmental coordination**

In a federal system, the transversality—which is one of the determining factors in the complexity of current public affairs—is also produced at the intergovernmental dimension reducing the threshold for unilateral action by governments of all levels. Within countries, varied and difficult issues such as immigration, drug trafficking, money laundering, arms trafficking, organized crime and environmental degradation, by pointing out some are also related to the bilateral agenda Mexico-United States, far exceeding the capacities of governments within a federation.

A look at the agendas of the governors in both countries, can give us an idea of the main issues discussed at the scene of intergovernmental relations in Mexico and United States.

On the side of Mexico, the National Conference of Governors (CONAGO) -- established in 2003—represents a permanent institutional linkage, consultation,
deliberation, dialogue and negotiation to achieve a much better balance in the redistribution of powers corresponding to orders of federal and state governments. The CONAGO functions through various committees formed by the executives of the states. The committees discuss the projects and political, economic, social and legal studies seeking to decide, propose and evaluate solutions on matters relating to a wide variety of topics, including: Water, Migration; Agricultural Policy; Science and Technology, Foreign Trade, Regional Development, Education, Energy, Public Finance, Petroleum Industry, Infrastructure, Environment, Civil Protection, Health, Public Security, Social Security, and Tourism. As we can see, an important part of these issues, clearly have a binational dimension.

Established in 1908, in the case of United States, the National Governors Association (NGA, 2009) has recently considered as the main themes of the intergovernmental agenda, the following: Economic Recovery, Education, Energy, Financial Services Regulatory Reform, Health Care, Taxation, Workforce and Competitiveness, Surface Transportation, Real ID (driver’s license and identification systems), National Guard and Homeland Security. On the latter point, the NGA recognizes that the State efforts are critical components of the national strategy:

“The magnitude and urgent nature of this responsibility requires the full participation of our federal-state partnership”.

The Governors urge Congress to ensure public safety for all Americans by making adequate funding for state and local governments a top priority and providing states with the flexibility to best utilize these funds.
As it can be seen above, some of the major issues that are part of intergovernmental agendas within each country are also discussed at a binational level. However, there are divergent views on these issues not only in both sides of the border, but even within each country. If we focus on the border area, perhaps this last point is more noticeable on the side of the United States. For example, the policy on the immigration issue in New Mexico differs significantly from the other three Border States.

In this regard, we must reflect on the difficulties of intergovernmental coordination that arise, on the one hand, the fact that subnational and local governments have their own traditions, conceptions, and ways of doing things. On the other, they have different capacities to operationalize policies and programs, and for this reason, there are different paths and achievements in each case.

Thus, the lack of harmony and comprehensive policies on key issues at the intergovernmental level, have an effect on the prospects of bilateral agreements, and seriously diminish the coherence and effectiveness of the actions that are carried out by numerous agencies on both sides of the border.

The border as scenario

Historically, the borders have been a source of tension and disputes, the scenarios where the bodies collide with each other, and where predominantly crystallizes the difficulties faced by states to control their territory and to fight against threats, new and old. (Villepin, 2003) Currently, however, the boundaries that outline the geometry of a political principle are challenged by the mapping of a new generation of public problems. This represents a serious challenge to governments that often act on a unilateral and compartmentalized vision.
Being geographically contiguous countries, and sharing one of the longest, troubled and impressive borders in the world, from San Diego-Tijuana to Matamoros-Brownsville, the boundary that separates and joins them, is a scenario of great importance for the bilateral relationship.

As mentioned earlier, the discrepancy in the definition of bilateral issues, and therefore how to deal with them, differs not only between both sides of the border, but even along it. The cases of Arizona and California are representative of this point. On November 26, 2004 the National Conference of Governors of Mexico (CONAGO, 2004) made a statement regarding the Proposal 200, Arizona State:

"The Mexican governors gathered at the National Conference of Governors wish to express our dissatisfaction at the proposal of the State of Arizona 200, entitled Act to protect citizens and the taxpayers of Arizona, because the content of the proposal is a violation to human rights and inhibits the Mexican immigrants in the United States access to education and health. It is important to mention that our countrymen contribute significantly to developing the economy of Arizona and the United States."

For his part, the governor of California, Arnold Schwarzenegger has expressed support for "Minuteman Project", a civilian group that carries out actions against migrant workers and has proposed "to seal the border". This led to a strong protest from the CONAGO (2005). Mexican governors warned him that his support to armed groups makes society take action on their own account outside the institutional channels, measures that do not contribute to a solution of the migratory phenomenon, but rather polarize it.

By contrast, in New Mexico immigration is treated in a different way. Apart from saying that walls between countries are ineffective, Bill Richardson (2008), governor of the state addresses this issue as follows:
“I have to basically state that we have dealt with the immigration issue in New Mexico different than our three other border states. Our attitude is that immigration is a reality and the best thing to do with the undocumented workers that come into New Mexico...is by integrating them in the society, by bringing them out of the shadows, that's more effective”.

It should be noted that each year about 400 thousand immigrants cross the border into the United States, and a fraction of 60 to 70 thousand come through New Mexico.

Moreover, reflecting the closeness of living with the problems affecting both countries, it highlights the fact that in August 2005, Janet Napolitano and Bill Richardson declared an emergency in border counties in Arizona and New Mexico, respectively.

One of the arguments of Napolitano, who declared the emergency in the counties of Cochise, Pima, Santa Cruz and Yuma, was that the lack of action by the federal government to protect the United States border with Mexico allowed the entry of a large number of undocumented immigrants who endangered public safety.

This criticism of the US government came after the governor of New Mexico declared few days earlier a state of emergency in the counties of Dona Ana, Luna, Grant and Hidalgo, whom he said have been devastated by the terror of human smuggling, drug trafficking, kidnappings, assassinations, destruction of property and deaths of cattle.

It is noteworthy that the refusal of Texas to issue a declaration of emergency in their border with Mexico, according to Robert Black, the spokesman for the Texas Governor Rick Perry, is that border security is a federal issue and not a state one.

The sharing of a border as large and complex makes the border a crucial stage in the Mexico-United States relationship. However, the complex issues arising from the geographical proximity affect first to adjacent communities, but are far from being
exclusively border problems. In this regard, Bill Richardson (2008) has indicated that the
border governors from both sides have been forced to address the problems but they have
done it without resources and without the federal leadership. He has emphasizing the need
to have policies to address bilateral issues. Richardson also thinks that immigration could
be effectively dealt with comprehensive immigration reform, securing borders, a
legalization plan, a stronger relationship with Mexico, because most of these problems are
economic; finding ways to those that knowingly hire illegal workers be punished, and many
other ways to deal with the need for seasoned and educated workers that require a reform in
the legal immigration area:

“I believe if the country deals with this as it should, on a national comprehensive
basis instead of piecemeal, states like mine, and Border States, and your state,
would benefit.”

Finally, we must not lose sight of that to resolve the problems that are more intense in the
border communities; we need a broad and comprehensive vision. This implies the need to
overcome border approaches. Boundary-based solutions are out of sync with the 21st-
century problems.

**Bilateral coordination**

Similarly to what happens inside each country, immigration, drug trafficking,
money laundering, arms trafficking, organized crime and environmental degradation are
also issues beyond the sphere of control national governments demanding bilateral policies.
Given the high interdependency of certain public affairs is the responsibility of
governments to seek solutions in interaction with actors beyond their borders, especially
with neighboring countries. For this reason, interactions of national governments and their
representatives are fundamental, such as meetings at presidential level.
Reflecting the importance of the relationship between Mexico and the United States, is the working visit that Felipe Calderon made to Washington in January 2009, where he met Barack Obama as president-elect of United States, as well as the trip of US president to Mexico occurred just before the fifth Summit of the Americas in Trinidad and Tobago. The American president began his administration with important gestures toward Latin America in general and Mexico in particular. His decision to allow the travel and remittances to Cuba and his visit to Mexico, where Obama told Felipe Calderon its commitment to cooperate in fighting drug trafficking, are signs that announce something different.

Obama is undoubtedly an extraordinary novelty in US policy, there are new winds, a different language and an attitude of goodwill. Although we expect from the US great capacity for change, we must be cautious. There is a kind of "obamania" causing excessive enthusiasm, but there is a reason for this: the change of speech was radical. Bush started well his relationship with Latin America, but it broke due to the attacks of 11-S. Now comes Obama with a different discourse, that feels good, but that should be reflected in concrete actions.

The presence of the US president in Mexico was symbolically very important for a respectful coordination. The visit has taken into account Mexican sovereignty, and is the first time that happens so evidently. (Carnicero, 2009). This opens the possibility for bilateral coordination to be appreciated differently by Mexican society. In this way, Mike Hammer (2009), spokesman for the National Security Council of the White House, agrees that with Barack Obama begins a new stage in relations between United States and Latin America and the Caribbean:
"President Obama is going with a willingness to advance relations based on mutual respect, where we will try to find important areas where we can cooperate with all countries of the region”.

Respect to immigration, the official admitted that was one of the topics along with drug trafficking and arms trafficking were discussed in Mexico City, also said that the important thing is that Obama wants to do a comprehensive reform, although he warned it is an issue that has to be worked with the Congress. In general, he believes that areas where there is a willingness of the president of the United States to face them together with Mexico, "…we have a responsibility in drug demand, the movement of weapons into the south, and also the movement of illicit money .

Barack Obama's presidency, after eight years of Bush administration, could mark a fundamental change in US policy. Could mark the beginning of a new "progressive era" in international relations, particularly in its relations with Mexico.

**Legislative scenario**

The legislative arena is one of the required points of the policy route related to public issues affecting both countries. On the one hand, examination, supervision and control of Congress on policy formulation and implementation can lead to criticism or political support and budget constraints. As is known, in addition to the events of 9/11, the failure of immigration reform proposed by George W. Bush was due to lack of support from his own party.

On the other hand, the legislature is responsible for carrying out legal reforms to enable the authorities to effectively address public problems. In this regard, we believe that the legislation must advance according to the progress of society, and must be attentive to
what it demands and requires in particular criminal law. Criminal activities that harm the community should be properly recognized and attacked by the legal framework.

For our purposes, we mainly focus on the differences in laws within each country and at a bilateral level, which decreases the ability to carry out effective work. One case that illustrates this, is the incompatibility of national legislation on arms trafficking.

Available evidence indicates a large proportion of the firearms fueling Mexican drug violence originated in the United States, including a growing number of increasingly lethal weapons. While it is impossible to know how many firearms are illegally trafficked into Mexico according to data from Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), over 90 percent of the firearms seized by Mexican authorities in the past 3 years have come from the United States. (GAO, 2009: 3).

In Mexico the laws prohibit the commercial sale or purchase of a firearm; all firearm sales must go through the Government of Mexico. The application and sales process takes a long time and the types of firearms that Mexican citizens are allowed to possess are limited to smaller caliber pistols and rifles.

However, in the United States as recognized by the Government Accountability Office, the government faces several significant challenges to its efforts to combat illicit sales of firearms in the United States and to stem the flow of these arms across the Southwest border into Mexico. First, certain provisions of some federal firearms laws present challenges to US efforts. The key challenges are related to (1) restrictions on collecting and reporting information on firearms purchases, (2) a lack of required background checks for private firearms sales, and (3) limitations on reporting requirements
for multiple sales. This type of information could be useful to better understand the nature of the problem, to help plan ways to address it, and to assess progress made.

The differences also exist in the legislation within the federations. As part of a national strategy to combat organized crime in Mexico, there is broad agreement on the need to coordinate and harmonize the legal framework. (CONAGO, 2006). The divergences in the legal framework create a climate of disorder and cause the authorities responsible for combating organized crime to lack of legal elements that sustain and strengthen its activity. Among the areas where it is necessary to coordinate and harmonize the legislation to effectively combat organized crime are the following:

- Strengthen the powers of the States in respect of combating drug trafficking.
- Empower state and municipal authorities so they can track different territorial areas in its jurisdiction in terms of existing cooperation agreements.
- Revise state laws to identify differences in the penalties and treatment of major crimes in the country, as well as federal laws including the Federal Law on Firearms and Explosives.
- Analyze the penalties for firearms and, when appropriate, to update or standardized them.
- To promote a comprehensive reform on the prison system, designed to standardize procedures include a review chapter of serious crimes in the penal codes.

The reform of the Mexican public security system is necessary to strengthen the three levels of government in their fight against organized crime, and naturally, the coordination and harmonization are essential components of this.
Conclusions

If an idea emerges from the preceding paragraphs, is that coordination is becoming more prominent. This, if one takes into account an irreversible fact: the growing interdependence and transversality in the contemporary world, and an intense pattern of interaction among governments as its most direct consequence. A new generation of complex and interconnected issues makes it necessary to improve decision-making processes not only within countries, but also between them. In this case, the resolution of the common problems that affect both Mexico and the United States demand articulated policies at national and binational level.

As federal countries, the last one implies at least three things. First, the difficulty of combining efforts of various organizations and sectors, not just one government, but from different governments involved jurisdictionally. Second, to achieve coordination in situations characterized by fragmentation of authority, uneven institutional capacities, overlapping jurisdictions and duplication of functions. Third, it involves confronting the lack of harmony that exists in the definition and priority of bilateral issues on the agenda of each country.

Although, within each country, interdependence leads politicians to demand comprehensive national policies, reluctance to accept that this phenomenon also occurs bilaterally dooming to failure many of the efforts that government agencies perform every day on both sides of the border. Many of these actions do not produce the desired effect, precisely because it lacks a comprehensive policy that gives them meaning and coherence. And when there is no meaning and coherence at national level, it is difficult to find them bilaterally.
In the light of what happens in the different scenarios that we explored earlier, we can conclude that comprehensive strategies are still needed, within, and between both federations. We believe developing comprehensive policies in each country is a prerequisite for arriving at effective binational policies. Systemic approaches are needed to connect and give meaning to actions on both sides of the border. Because we cannot say that, we have comprehensive policies, where each unit of government does what it can and as it can, frequently without the skills and resources to do so. The multifactorial origin of current public issues requires developing policies from a broad vision, which result from the coordinated participation of instances belonging to different sectors and governments. An isolated policymaking focused on a particular factor is expensive and decrease the potential for effective intervention.

The demand for comprehensive policies seems to be related to the need to restore or strengthen the capacity of governments to respond to the problems and social demands, which have become more complex. It is necessary to indicate that this kind of policies is aimed at addressing issues of concern to society as a whole. Therefore, they are far-reaching policies that are not the responsibility only of government but society in general. In a federal system, what we would be talking about is of national policies that concern the federal government, as well as state and local authorities.

One form of intervention based on comprehensive policies, not a substitute for government policies, by contrast, requires and integrates them, especially in a federal system that involves an increasing proportion of shared governance. Comprehensive policies materialize through programs of more than one government, but something more
than the sum of them. This, because they also generate a series functional relationships, that
go beyond particular institutional approaches.

Finally, through this work, we outline different scenarios related to issues on the
bilateral agenda and offer some examples of the challenges of coordination in this regard,
but this is only a starting point that can be developed further in subsequent work.
References


The Evolution of Sustainable Cities as a Metropolitan Policy Challenge

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Abstract: City governments are undertaking initiatives to promote sustainable development. Local sustainability efforts frequently are discussed in the context of multilevel governance. Local efforts to achieve sustainability are important, but they take place within a framework of vertical intergovernmental relations in which state and national government hold important regulatory power, particularly in the realm of environmental policy. This paper reviews the evolution of sustainable cities and encourages us to consider how horizontal intergovernmental relations within metropolitan communities will be critical to the success of sustainable development goals. The paper outlines two vertical and three horizontal IGR challenges for sustainable cities, and illustrates these challenges with examples from the San Francisco Bay Area. While multilevel governance provides an important theoretical framework for discussions of sustainable development, we can benefit from more explicit discussion of intergovernmental management for sustainable development in metropolitan areas.

This paper was prepared for “Intergovernmental Relations in 2020: Theory and Practice,” at the annual meeting of the American Society for Public Administration, San Jose, California, April 9, 2010.
Local governments across the United States are struggling with plans and programs to implement principles of sustainable development. Sustainability has been described as a new value in public administration, pushing public managers and policymakers to think about the “short-run and long-run consequences of human action on human and environmental welfare” (Leuenberger & Bartle, 2009, 4). Initiatives to advance sustainability at the local level grew in the wake of the United Nations Conference on Environment and Development held in Rio de Janeiro, Brazil in 1992. The *Agenda 21* report from the conference outlined specific strategies for governments to advance sustainable development. In the report, local authorities are depicted as critical implementers of sustainability, and are asked to engage in “a local Agenda 21” process to educate and mobilize local communities to promote sustainable development.¹ A number of cities in the United States have taken steps to integrate sustainability into their daily operations and planning (Portney, 2005, 2009). The integration of sustainability into the work of local government should be viewed as a challenge not just for individual cities, but also for the complex web of local governments in U.S. metropolitan areas. The field of public administration can make critical contributions to the advancement of sustainable cities through the careful practice of intergovernmental relations (IGR) at the local level.

The pursuit of sustainability in local government must be seen as one of the critical intergovernmental challenges facing U.S. metropolitan areas today. Individual cities are taking steps toward sustainable development by monitoring and reducing greenhouse gases, promoting resource recovery and recycling, investing in public transportation systems, modifying land use

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¹ What should be emphasized is that the United Nations report encourages a local process to engage local communities in discussions about a sustainable future. “Each local authority should enter into a dialogue with its citizens, local organizations and private enterprises and adopt "a local Agenda 21". Through consultation and consensus-building, local authorities would learn from citizens and from local, civic, community, business and industrial organizations and acquire the information needed for formulating the best strategies. The process of consultation would increase household awareness of sustainable development issues. Local authority programmes, policies, laws and regulations to achieve Agenda 21 objectives would be assessed and modified, based on local programmes adopted” (United Nations, 1992, 28.3).
plans, enhancing job training to improve the quality of the local workforce, and myriad other initiatives. Many of these initiatives are designed to confront problems that spillover the boundaries of multiple jurisdictions in fragmented metropolitan areas, such as poor air quality, gridlocked road networks, and unemployment. Cities can take some steps to promote sustainable development on their own, but metropolitan coordination may be necessary to achieve more significant results. In the words of David Miller (2002, 143), “Local governments are the building blocks of metropolitan regions…But, as building blocks in an age where governance is a shared responsibility of networks of public, private, and non-profit institutions, they are no longer monopolies.” The pages ahead suggest we have given attention to the “building blocks” of sustainable development, but not enough attention to the “shared responsibility” of metropolitan communities. Cities should not be treated as monopolies in discussions about the pursuit of sustainable development at the local level. The intergovernmental negotiation and coordination required to make local sustainability initiatives successful must be made explicit. At the same time, public administrators should consider how principles of sustainability challenge them to modify their practice of IGR.

Public administrators can make significant contributions to the development of sustainable cities by adapting their knowledge of IGR to help solve the problems of implementing sustainability initiatives. This paper begins with a review of recent research on the implementation of sustainability initiatives by city governments. Attention then turns to the intergovernmental relations challenges, both vertical and horizontal, associated with the pursuit of sustainable communities. Next, we turn to a short case study of the San Francisco Bay Area to investigate the practice of IGR within a metropolitan community pursuing sustainability. The practical examples from this case illustrate the adaptation of IGR to meet the challenge of
sustainable development. Finally, the paper concludes with suggestions for several adaptations
to the practice IGR in order to advance intergovernmental management for sustainable
communities. Sensitizing our understanding of IGR to the principles of sustainability will help
public administration scholars and practitioners as we confront the challenges of metropolitan
sustainability in the next decade. As more cities develop plans for sustainability, public
administrators can carefully adapt their practice of IGR to advance both sustainability and
metropolitan coordination.

Sustainable Cities as Metropolitan Challenge

City governments around the world are crafting initiatives to advance sustainable
development at the local level. Urban sustainability expert Kent Portney (2009) explains cities pursue sustainability for reasons ranging from the pursuit of new economic growth to the
enhancement of quality of life. Portney and others assert the goal of environmental protection is not inconsistent with economic prosperity (Fitzgerald, 2010; Hempel, 2009). What does it mean to be a sustainable city? Most definitions of sustainability emphasize the pursuit of economic,
social, and environmental prosperity, for both current and future generations (cf. Elkington,
1994; Haughton, 1997; Leuenberger, 2006). In theory, a local sustainability plan would include
specific initiatives to address all three of these dimensions—social, economic, and
environmental. Some cities integrate sustainability in their comprehensive planning processes,
while others adopt an independent sustainability plan. In a national survey of medium and large
U.S. cities, Saha and Paterson (2008) found about one third of respondents formally established sustainability as a city goal. Other cities adopt individual programs to advance sustainability on
an ad-hoc or piece-meal basis (Conroy, 2006; Conroy & Iqbal, 2009). The environmental
dimension appears to get the greatest attention from cities that pursue sustainability. Saha and Paterson (2008, 28) found that cities moving forward in an “incremental, fragmented, and unsystematic fashion” tend to emphasize increasing efficiency in natural resource use. Davidson (2009) suggests few communities debate the question of social sustainability, a claim backed by the survey evidence in the aforementioned studies. Tuxworth (1996), surveying Local Agenda 21 implementation in the United Kingdom, also found that Local Agenda 21 had minimal influence on the social-service, welfare, anti-poverty and housing strategies of local authorities.

Sustainability may take on a distinct meaning in an individual city, leading us to expect different programmatic priorities in different cities. In a study of the San Francisco Bay Area, city economic development officials were asked to identify the statements about sustainability that were most important for their work in community and economic development. While some officials emphasized green building and transit oriented development, other emphasized business retention and reinvestment, and human capital development. A third group of officials emphasized enhanced civic participation through community organizations and neighborhoods (Zeemering, 2009). Cities take distinct approaches to sustainability, in part, because local sustainability initiatives are shaped by local political processes and citizen participation. Civic engagement is described by some as a precondition for the successful development of a city sustainability plan (Barr, 2008; Prugh, Costanza, & Daly, 2000).²

The challenge of being a sustainable city is illustrated by the criteria used to evaluate local sustainability initiatives. Portney (2003) uses a list of 34 initiatives to identify the extent to which cities are “taking sustainability seriously.” Cities are ranked higher by undertaking more

² The emphasis on civic engagement may be well placed. Some empirical studies find a link between social capital or political culture and the outcomes of city sustainability efforts (e.g., Budd, Lovrich, Pierce, & Chamerlain, 2008; Saha, 2009; Zahran, Grover, Brody, & Vedlitz, 2008). Because of the focus on intergovernmental relations in this paper, these relationships are not explored further here, but do they merit serious attention. Improvements to civic life also may be desired outcome of a city’s sustainability efforts (Portney, 2005).
initiatives. The list includes items like the presence of a sustainable indicators project, green building programs, water conservation programs, limits on downtown parking, and eco-industrial park development. SustainLane, a popular online sustainability resource, ranked the 50 most populous cities in the U.S. based on air quality, city innovation, green economy, metro transit ridership, natural disaster risk, and several other indicators. Cities that hope to excel at sustainability must undertake an array of programs to address the “triple bottom line” of economy, equity and environment. Demonstrating success on some indicators of sustainability may be a challenge for city governments because they may not have the sole capacity or authority to design programs that address problems like air quality (Betsill & Rabe, 2009; Bulkeley & Betsill, 2003; Mazmanian, 2009).

The federal government has also taken steps to encourage sustainable communities. In 2009, the Department of Housing and Urban Development, the Department of Transportation, and the Environmental Protection Agency entered into an agreement for interagency cooperation on housing, transportation, and environmental protection. Through cooperation, the federal agencies hope to “enhance integrated planning and investment,” “provide a vision for sustainable growth,” “redevelop underutilized sites,” “develop livability measures and tools,” and several other goals. The federal government’s interest in sustainability can be seen in projects like the “Green Impact Zone” in Kansas City, Missouri, where about $200 million is being invested in a 150 block area to improve energy use, build a rapid transit line, and create jobs in an economically depressed area (Fletcher, 2009). As federal and state governments take increasing

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5 Details of the Interagency Partnership for Sustainable Communities can be found online: [http://www.epa.gov/smartgrowth/partnership/](http://www.epa.gov/smartgrowth/partnership/) [Accessed February 28, 2010]
interest in what cities and local governments are doing to advance sustainable development, local administrators working on sustainability will find increased need for IGR skills tailored to the challenges of the sustainable community.

Current discussions about sustainable cities and communities often make the implicit assumption that the city is the appropriate unit of analysis for our understanding of the adoption, implementation, and performance of local sustainability plans (Marvin & Guy, 1997). While environmental policy researchers have explicitly probed the vertical IGR associated with the development of sustainable communities (e.g., Kraft & Scheberle, 1998; Mazmanian & Kraft, 2009), few have analyzed intergovernmental coordination within metropolitan areas to promote sustainable development. For public administrators and observers of metropolitan affairs, this should be viewed as a problematic. Metropolitan areas in the U.S. are often described as fragmented, with decision making authority about important collective problems diffused among many units of local government (Miller, 2002; Stephens & Wikstrom, 2000). If the capacity of an individual unit of local government to pursue sustainability depends upon the actions of its neighbor, then greater attention must be given to the role of metropolitan coordination in the pursuit of sustainable communities. This concern is not raised to discourage research on what individual units of local government do to pursue sustainability. City-focused studies contribute to our understanding of local policymaking and often provide detailed descriptions of the content of sustainability plans. IGR within metropolitan areas receives attention here because public administrators can make important contributions to the advancement of sustainability in the years ahead by developing more effective metropolitan coordination in key areas.
The Intergovernmental Problem for Sustainable Development

Deil Wright (1974, 2), drawing from the work of William Anderson (1960), explains intergovernmental relations “is the continuous, day-to-day pattern of contacts, knowledge, and evaluations of government officials.” IGR involves interaction among people within the political and administrative system, and includes interactions among all levels of government. According to Wright, complexity is “an inherent and persistent characteristic” of IGR, and managing complexity is critical for the successful practice of IGR. Local government officials sort through intergovernmental complexity in their pursuit of sustainable development. They interact with state and federal governments (vertical IGR) and neighboring local governments (horizontal IGR). Scrutiny of both vertical and horizontal dimensions is necessary because public managers engage in different types of interaction with state and federal government officials than with neighboring localities in the metropolitan area. Working across vertical and horizontal government boundaries requires distinct skills (Agranoff & McGuire, 1999). While vertical boundary spanning is frequently explored in discussions of sustainable communities, horizontal boundary spanning activities require further illumination.

Vertical IGR to Promote Sustainable Communities

The increased emphasis on cities as appropriate actors to advance sustainable development is itself a product of shifting attitudes about environmental responsibility in the U.S. federal system of government. Mazmanian and Kraft (2009) explain U.S. environmental policy has moved from an “epoch” that emphasized command and control regulation by the federal government to one that emphasizes collaboration and partnerships to develop more sustainable communities. The regulatory framework for environmental protection developed by
the federal government during the 1960s and ‘70s has been described as part of a “coercive federalism” that burdened and constrained subnational governments (Kincaid, 1990). Mazmanian and Kraft suggest national regulatory policy during this epoch accomplished important environmental objectives, but lacked flexibility and or incentives to induce state and local governments to achieve environmental quality objects. More problematically, the regulatory system created silos. They explain, “In the flurry of action by the federal government to develop policies for specific air, water, and other pollutants and to address some of the more visible resource problems, no strategies or policies were developed for working across policy domains…in a more comprehensive approach that would simultaneously provide pollution reduction while fostering economic development and quality of life” (4). Alternate models of environmental management highlighted the value of cooperative approaches in which local governments have flexibility to craft their own strategies to achieve national goals or standards (e.g., May et al., 1996). While the specific implementation strategies for achieving sustainable communities remain unclear, Mazmanian and Kraft suggest the current epoch of environmental policy places a greater premium on local policymaking, innovation, and community partnerships.

With new responsibility for the advancement of sustainable development, cities will encounter a new set of challenges in their vertical intergovernmental relationship. Tensions related to coordination and capacity may be the most important barriers to local action. First, local governments may experience coordination problems when their sustainability plans call for action in fields of policy over which they have limited or nonexclusive authority. This challenge is illustrated by the overlapping authority of the multiple layers of government that may influence the implementation of local sustainability plans. In case studies comparing the implementation of sustainability plans in two cities in the United Kingdom (UK), Bulkeley and
Betsill (2005) found national land use policies constrained the extent to which local authorities could pursue sustainability goals in the areas of transportation and planning, despite policy support from international European institutions. In the U.S., states are undertaking their own initiatives to address greenhouse gases and air quality, while local governments also develop climate change plans. Because of this “proliferation” of climate action, Betsill and Rabe (2009, 217) predict vertical interactions will become increasingly common as states and localities sort out policy overlap. Sustainability initiatives formulated at the local level with community involvement may also emphasize different action or processes than initiatives formulated by higher governments, necessitating compromise, or at least an understanding of differences (Blake, 1999). Whether taking new action or interpreting existing regulations, local governments will continue to find vertical intergovernmental relations to be necessary as they clarify authority and coordinate overlapping efforts with higher governments.

The question of local capacity is a second area of tension in vertical relationships. While environmental policy may be entering an epoch in which national policymakers hope for increased local engagement with the question of sustainable development, not all local governments have the capacity to undertake these initiatives. Some communities are simply not interested in sustainable development, because of a lack of interest among policymakers or the perceived expense of sustainability programs (Saha & Paterson, 2008). For these communities, educational or financial support from higher governments may be required to induce local action.6 Reflecting on Local Agenda 21 implementation in Sweden, Rowe and Fudge (2003) assert the national government has develop complex tools to advance the environmental aspects of sustainability, but local governments are slow to implement these tools, instead focusing on

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6 However, Hess and Winner (2007) explain financially constrained cities have a variety of options to promote sustainability without new financial obligations.
“low-hanging fruit.” They argue vertical information flow needs to improve so local experiences with implementation can inform future policymaking. Similarly, Davies (2005) explains that in Ireland’s centralized system of government, the national government extols the role of local authorities in the implementation of sustainability, but provides limited support to implement programs. In the U.S. and abroad, local governments are faced with a capacity challenge when implementing principles of sustainable development, struggling for both resources and implementation expertise. Local governments will find themselves engaged with state and federal officials requesting technical support, providing feedback about mandates and program guidelines, and negotiating resources (cf. Agranoff & McGuire, 1999; Bowman & Lester, 1993; Hanson, 1998; O'Toole, 1993; Oates, 1999). If local governments in the United States come under more pressure to develop and implement sustainability plans, we should expect debates about technical and financial capacity to become more conspicuous.

The vertical relationships that shape the local pursuit of sustainable development are important, and they have received significant attention from scholars of environmental and regulatory policy, and multilevel governance. This class of relationships may become more important for U.S. local governments if the national government expands regulations, increases intergovernmental aid for sustainability programs, or becomes more engaged in supranational efforts or agreements on climate change. For local government administrators, another class of intergovernmental relationships—those at the horizontal level within metropolitan areas—may pose a greater challenge for the immediate future.
Horizontal IGR for Sustainability in Metropolitan Communities

“In order to work at all, a system of local government as diffuse and amorphous as the one in the United States must have considerable interlocal and intrametropolitan cooperation on some policy issues and service delivery arrangements,” argue Stephens and Wikstrom (2007, 237). Many U.S. metropolitan areas do exhibit patterns of cooperation, including participation in Councils of Government (COGs), formal and informal interlocal agreements, and regular communication among public managers (cf. Feiock, 2009; Hamilton & Atkins, 2008; Thurmaier & Wood, 2002; Wikstrom, 1977). However, the concept of sustainable development may challenge local officials to cooperate on a range of issues on which the reconciliation of differences is especially challenging—issues that affect the lifestyles of residents within the community (Williams, 1967). Land use, economic development, and redistributive services are areas in which cities have been more inclined to competition and self-interest than cooperation (Katz, 2000; Peterson, 1981). These are the same areas in which government policy and individual behavior is prodded to change under most definitions of sustainable development. If local government officials decide to pursue sustainability, IGR within metropolitan areas will be necessary to facilitate and follow through on metropolitan planning, match government responses to the scale of metropolitan problems, and coordinate an array of societal actors.

First, metropolitan planning takes on new importance when sustainability is emphasized as a goal for policy and administration. Planning processes provide opportunities to explicitly debate how future investments in regional resources like transportation infrastructure bear on economic, environmental and equity goals. Openly contesting how these values apply to the strategic direction of the metropolitan area can strain relationships among local governments. At the same time, deliberation may help local units identify common ground for joint action on
sustainability (Conroy & Berke, 2004). Planning scholar Stephen Wheeler shares the concern that metropolitan planning efforts often face political barriers. He argues vision statements about metropolitan sustainability have value because they help generate consensus or direction, but the implementation of a metropolitan sustainability plan depends on the support and implementation efforts of individual jurisdictions and political leaders. Wheeler (2000, 139) argues, “Although local government can potentially think regionally by itself, in practice this fails to happen, and historically metropolitan institutions of one sort or another have been essential to provide a broader perspective, coordinate services that are truly interjurisdictional, and encourage or mandate local action that meets regional goals” (139). After metropolitan planning processes have endorsed sustainable development, COGs, Metropolitan Planning Organizations (MPOs), and other regional entities may shoulder the burden of reminding local jurisdictions about their commitments to implement sustainability initiatives. This may not signal a significant change in horizontal IGR, as metropolitan organizations already aid in planning and coordination for issues of regional importance. The growing popularity of sustainable development may prompt these organizations to reconsider the technical and educational support they offer to local governments, and prompt them to prepare for discussions of sustainability during planning processes.

Sustainable development also challenges our thinking about metropolitan IGR because the boundaries of the metropolitan area may not match the boundaries of the ecological and social problems that sustainability initiatives hope to address. A clear example of the problem of scale can be found in watershed management initiatives (Sabatier et al., 2005). COGs and local jurisdictions have endeavored to cooperatively match policy and management responses to the ecological contours of problems, rather than political boundaries (Wondolleck & Yaffee, 2000).
Scaled initiatives for resource management entail significant coordination challenges once implemented (Imperial, 2004; Kauneckis & Imperial, 2007; Michaels, 2001), but local government managers must be attuned to the barriers that must be negotiated before these initiatives can even begin. The question of scale itself is problematic. Writing on watershed management, Blomquist and Schlager (2005, 113) explain,

“Water’s nature as a valued resource brings it squarely into the domain of politics, where individuals and groups struggle for control of decision making…The polycentric arrangements found in so many locations, and criticized as fragmented and unscientific, can also be viewed as means by which affected communities assert contested claims for inclusion, articulate and protect their values and interests during decisions about the watershed, and invest those decision-making arrangements with mechanisms for accountability and change.”

Thus, coming to terms with the scale of a problem and the stakeholders or interests that must be incorporated in a scaled response is an important step in intergovernmental management for metropolitan sustainability.

This leads to a third challenge in linking sustainable development to horizontal IGR—identifying and coordinating the complex array of actors who have a stake in the governance of sustainable development. Sustainable development relies heavily on governance, or a complex array of interactions among government and other societal actors, for goal achievement (on governance and sustainability see Jordan, 2008; on governance see Peters & Pierre, 1998). At the local level, public managers will be challenged to discern which actors outside of government must be drawn into dialogue and decision-making processes about sustainable development. Engaging a wide array of actors in networks is an increasingly common model of
intergovernmental management (Agranoff & McGuire, 2001). Identifying the appropriate actors, inside and outside of government, may shape the success of metropolitan areas in achieving sustainability goals. Innes and Booher (1999, 149), reflecting on the complexity and interdependence of metropolitan systems argue, “sustainability is about process, not about a particular vision, pattern, set of rules, or criterion.” They recommend collaborative consensus building with stakeholders who understand different aspects or characteristics of the complex metropolitan system. Similar arguments can be found in the field of planning (e.g., Conroy & Berke, 2004; Thomas & Furuseth, 1997) and from advocates of deliberative democracy (e.g., Prugh et al., 2000). Wheeler (2000, 138), for example, argues, “Although sustainability visions and plans are important, they are unlikely to come to fruition without pressure from social movements and nongovernmental organizations, as well as long-term development of a coalition of interests that provides the necessary political backing.”

Local government managers can benefit from groups interested in sustainable development, as they bring their distinct expertise on housing, water quality, green building, and other topics to the table. Local managers can advance metropolitan sustainability by encouraging these groups to consider both the local and metropolitan-wide impact of their work. Private and non-governmental organizations may serve as agents to diffuse best practices or collaborate with governments to make investments in sustainability go farther (e.g., Hess & Winner, 2007). City officials and metropolitan organizations will also be challenged to craft venues in which competing perspectives on sustainable development can be understood and reconciled in order to craft cohesive regional action (e.g., Feldman, Khademian, Ingram, & Schneider, 2006). While sustainable development may require vertical IGR and multilevel governance, public
administrators can make significant contributions to the process by considering steps to improve the planning, scale, and governance of sustainability initiatives in metropolitan areas.

**Examining the Challenge in the San Francisco Bay Area**

The San Francisco Bay Area provides a useful case for the purpose of drawing out and describing the intergovernmental challenges associated with the pursuit of sustainable communities. Short case studies can be valuable at the exploratory stage of research because they provide a picture of the concepts that concern us at work in the real world. This condensed presentation of intergovernmental relations for sustainable development in the Bay Area should be considered a descriptive sketch, rather than an extended case study. The sketch allows us to investigate the two vertical and three horizontal IGR challenges for the advancement of sustainable development that were drawn out above. The evidence should help us assess hypothesis implicit in this paper—horizontal IGR within metropolitan regions will be increasingly important for the advancement of sustainable development in the next ten years.

The San Francisco Bay Area includes nine counties, 101 cities, and numerous special purpose governments. The City of Oakland, the City and County of San Francisco, and the City of San Jose are the region’s major urban centers, and all three have taken steps to integrate principles of sustainability into their planning and operations. To identify intergovernmental relations within the region related to sustainable development, we reviewed newspaper coverage in the *San Francisco Chronicle* and the *San Jose Mercury News* from 2000 through 2009. During this period, we identified 211 stories that discussed local government action on sustainability, with the frequency of stories increasing over time.\(^7\) Reports and documents from

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\(^7\) As a point of contrast, *The Boston Globe* contained 41 stories about city action on sustainability during the same period, and *The Chicago Tribune* contained 37.
government agencies responsible for regional coordination and environmental policy were also reviewed. The level of attention to sustainability may indicate that the San Francisco Bay Area is not a “typical case;” however, focusing on a region that is visibly wrestling with questions of sustainability may point to the intergovernmental challenges that emerge in other metropolitan areas if or when the topic receives increased attention.

Vertical Coordination: As noted by Bulkeley and Betsill (2003), local climate change initiatives are part of a shift toward the multilevel governance of climate change. Since 1955, air quality in the San Francisco Bay Area has been under the purview of the Bay Area Air Quality Management District (BAAQMD), a regional agency with a board of directors composed of city and county officials from the region. The BAAQMD enforces compliance with air quality and emission regulations, and engages the public in air quality action, like “Spare the Air Days,” in which pollutant generating activities are discouraged. While the existence of the air district points to a history of local engagement in air quality management, multilevel governance has become increasingly important as the state government has taken action on air quality standards. In 2008, BAAQMD imposed a fee of 4.4 cents per metric ton of carbon dioxide emission on 2,500 companies and entities in the region in order to pursue green house gas reduction goals. This occurred at the same time that the California Air Resources Board, a state regulatory body, was engaged in debate about how to implement goals on the reduction of emissions embodied in the California Global Warming Solutions Act (Assembly Bill 32 of 2006). Concomitant action by state and local regulatory bodies resulted in industry complaints (Martin, 2006; Yi, 2008; Zito, 2008, 2009). Subsequent state legislation (Senate Bill 375 of 2008) set state and regional targets for emissions reductions, but also required regional planning agencies to further integrate air quality goals in land use and transportation planning (Higgins, 2009). With action by state,
regional (BAAQMD), and local (individual city) actors, air quality in the Bay Area illustrates the challenge of vertical coordination for the pursuit of sustainable development.

*Vertical Relations and Local Capacity:* Closely linked to California’s air quality and greenhouse gas emission goals are the public transportation systems that provide service to residents of the San Francisco Bay Area. The economic recession led to significant budgetary challenges for these agencies in 2009 and the current budget year, as ridership declined and intergovernmental aid for public transit was reduced in the state budget. Public transportation provides an example of capacity problems associated with the pursuit of sustainable communities. Robust, efficient, and affordable public transportation systems may persuade automobile drivers to opt for public transportation, rather than their individual vehicles, reducing greenhouse gas emissions (Guardino & Dunn, 2009; Rosenberg, 2010). Transportation also bears on equity goals of sustainability. Editorial writers tacitly highlighted this point when arguing students and the elderly rely on public transportation (Guardino & Dunn, 2009). Public budgeting debates may link intergovernmental aid and local capacity to achieve sustainability goals more frequently in the future.

*Metropolitan Planning:* While the San Francisco Bay Area is wrestling with vertical IGR, the horizontal IGR underway to advance sustainability are also notable. The Association of Bay Area Governments (ABAG), the Bay Area’s COG, has been active in metropolitan planning since its creation in 1961. ABAG has been involved in deliberations about land use, growth and housing, water quality, and other regional problems (Bohan, 2002). They have also engaged in environmental issues that interest supporters of sustainable communities. For example, they recently distributed reusable shopping bags as part of their support for the Bay Area Recycling
Outreach Coalition’s campaign to encourage shoppers to “bring your own bag.” Voluntary cooperation among local governments in the Bay Area also helps advance sustainability. The Santa Clara County Cities Association, for example, undertook a process to develop a uniform green building ordinance for cities in the county (San Jose Mercury News, 2009; Wilson, 2009). By undertaking the coordination of regulatory and sustainability programs, local governments can reduce the costs or barriers for private sector support of sustainability goals. The voluntary horizontal coordination underway in the Bay Area on green building standards will likely continue as cities find value in shared effort and information for other sustainability projects.

Scaling Policy to Problems: Local governments in California have a history of cooperative efforts in the management of water resources. While policies shape water resource debates, city utilities and water districts take action to ensure an adequate supply of water resources and encourage the public to be conscientious about water use. For example, the East Bay Municipal Utility District’s watershed, fire management, and habitat conservation plans stem in part from regulatory requirements in state and federal law; however, the plans also provide opportunities to engage with local governments and community organizations in dialogue about local resource use. Water utilities have undertaken joint action to ensure access to water through projects like the Bay Area Regional Desalination Project, a demonstration project to provide emergency or supplemental water supply from desalinated water (Bay City News Service, 2006). As sustainability continues to influence how local governments approach environmental and social problems in metropolitan communities, we should anticipate more efforts to match governance responses to the ecological characteristics of the problem.

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8 Several cities in the Bay Area have banned plastic shopping bags (Heredia, 2007). Details about the Bring Your Own Bag campaign are available online: http://www.igotmybag.org/
Coordination of Societal Actors: Perhaps the Bay Area exhibits its greatest strength in engaging both public and private actors for action on sustainable development. Government action frequently includes public outreach, and a variety of community organizations push government to advance sustainability goals. The mayors of the Bay Area’s largest cities publicly challenged the region to “go green” by signing a “Bay Area Climate Change Compact.” After highlighting their individual city’s successes, they noted the effort would not be possible without the work of private business and nonprofits (Reed, Newsom, & Dellums, 2009). Just as notable is the formation of the West Valley Green Leaf Committee by the smaller cities of Los Gatos, Saratoga and Monte Sereno. The cities began collective efforts to challenge the public to advance environmental policies, including programs like a LED holiday light exchange (Burkey, 2007). Non-profit groups like Sustainable San Mateo County promote a sustainability agenda by recognizing successful green building efforts and highlighting best practices. Such groups also contribute to governance by providing informational resources and maintaining indicators reports, all important for local decision making about the pursuit of sustainability.

Intergovernmental Management for Sustainable Communities

Public managers in U.S. metropolitan areas should expect sustainable development to shape more of their intergovernmental relationships as we approach the year 2020. Intergovernmental relations are critical to the development and success of sustainability goals in cities and metropolitan communities. To date, scholars have been attentive to the vertical intergovernmental relationships that bear on the success of sustainable communities, particularly in the realm of environmental policy. The concept of multilevel governance is frequently applied to frame research on sustainable cities. When the horizontal dimension of governance is
studied, scholars often probe the relationship between local governments and social groups, but neglect the intergovernmental context at the local level. Sustainability is frequently framed as a problem for cities in a vertical system of governance, but infrequently framed as a problem for cities in a horizontal metropolitan system of governance. If the problem of sustainable cities is conceptualized as a challenge of metropolitan governance, public administration scholars and local officials can make new and significant contributions to our understanding of sustainable development.

If sustainability becomes increasingly important to the practice of public administration, critical questions must be addressed to advance our understanding of intergovernmental management for sustainable communities. First, the review of initiatives in the San Francisco Bay Area suggests that some of the most publicly salient intergovernmental efforts related to sustainability center on the environmental dimension of the concept. While newspaper coverage is not an ideal measure, the environmental focus is also found in the survey research discussed earlier. Local officials appear more inclined to take action on environment imperatives within the sustainability agenda, rather the social equity imperatives (Davidson, 2009; Saha & Paterson, 2008). This gap deserves further attention, as equity remains a salient value within the field of public administration (e.g., Frederickson, 2010). Future research should explore what limitations public managers experience when forging interlocal coalitions to address sustainability goals, giving specific attention to environmental, equity and economic goals. Second, some horizontal IGR seems to be spurred by shifting regulations or resources from higher governments. Studies of local sustainability should carefully analyze how changes in state and federal policy shape intergovernmental response in metropolitan communities—the link between what Hooghe and Marks (2003) describe as “Type I” and “Type II” governance. Finally, we must do more to
illuminate the relationship between individual city sustainability plans and metropolitan sustainability efforts. Do central cities play a critical role in shaping the sustainability dialogue for the region, or do regions have more polycentric approaches to sustainability? Do regional actors like COGs and MPOs help define sustainability for the region, or do they help reconcile conflicting visions of sustainability shared by member governments? Do private and community based organizations have more influence on the development, implementation and evaluation of sustainability initiatives than COGs, MPOs or existing regional entities? These are only a few of the potential questions that can be addressed as we seek to understand the intergovernmental management of sustainable development in metropolitan communities. Despite these questions, there is limited doubt that if cities intend to move toward the goal of sustainability, the conduct of intergovernmental relationships within metropolitan areas will in some way shape or constrain their success.
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Sustainability: A View from the Trenches
A response to the paper, The Evolution of Sustainable Cities as a Metropolitan Policy Challenge, by Eric S. Zeemering, San Francisco State University

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As a local government employee who has witnessed the idea of sustainability go from being ignored to challenging local governments to think differently, be proactive on environmental issues and embrace the bigger picture of sustainability, it was quite interesting to read an academic perspective on the vertical and horizontal intergovernmental relations we participate in on a day-to-day basis. The challenges discussed by Eric Zeemering in his paper, The Evolution of Sustainable Cities as a Metropolitan Policy Challenge, are very relevant and his premise that “horizontal government relations will be critical to the success of sustainability” reflects an understanding of both the need for this shift and an understanding of the rather choppy way in which we are trying to shift.

My goals in this paper are to address the topics of horizontal and vertical IGR as discussed by Zeemering, from the perspective of someone who has personal experience working on sustainability issues in local government. In particular, I will discuss the benefits and challenges of horizontal IGR, which I think is extremely important for sustainability work to be successful. Finally, I will make some recommendations for directions to take in future research.

Before going further, it’s important to more clearly discern between sustainability, sustainability initiatives, and sustainable development as these terms appear to be used interchangeably in Zeemering’s paper. If local governments are to work together, we need to speak the same language when we discuss sustainability. Sustainable development is generally considered in the purview of planning or community development departments and is being increasingly incorporated into General Plans, some of which now have Sustainability Elements. It encompasses broad issues such as land use and housing/jobs balance within the context of developing livable or sustainable communities. Interest in sustainable development increased substantially after Attorney General Jerry Brown sued the County of San Bernardino over their proposed General Plan for allowing sprawl and not including greenhouse gas emissions in their evaluation.

Sustainability, on the other hand, covers a wider range of issues such as children’s health issues, electronics recycling, climate change, and green jobs. Sustainability initiatives refer to specific courses of actions, such as an initiative to end homelessness.
Zeemering was able to discuss sustainability without sinking into the common misperception that it is synonymous with environmental issues, and clearly emphasized that sustainability includes the environment, economy and equity. I would add that the key to sustainability is the balance among or integration of the three parts.

These issues are not uncommon – I struggle on a daily basis to inform and educate the elected officials and staff on these nuanced definitions. One challenge we face in moving forward is developing a collective understanding of what sustainability means, in order to have a basis for common projects or discussions. Even some ‘sustainability’ nonprofits focus only on the environment, with the exception of Sustainable San Mateo County, which covers the full range of sustainability issues.

In the following sections on vertical and horizontal challenges, I support Zeemering’s observations with some examples and explanations from on-the-ground experience and discuss some challenges in more detail.

**Vertical IGR Challenges – Coordination and Capacity**

Zeemering covers the two main challenges of coordination and capacity. Local governments are sensitive to unfunded mandates and therefore resistant to direction from the state, which makes the process of coordination more difficult. The recent work in California on climate change had so many different agencies involved that city and county staff were overwhelmed with meetings and directions. Their solution to this problem was the initiation of some self-organized horizontal IGR.

Regulatory policy has not only constrained local governments but also created a focus on handling problems rather than developing innovative solutions to remove the possibility of problems. Extended Producer Responsibility (EPR) – the process of manufacturers being responsible for their products through the end of life – utilizes economics to create solutions for problems. For example, computers are considered hazardous waste and may not be landfilled, which stimulated an industry focused on recycling computers. The more sustainable solution of designing computers to be less toxic and more easily recovered is supported by EPR policy. Local governments tend to focus on the recycling because it is regulated and therefore mandated and funded. Focusing on EPR would reduce the problem because manufacturers would redesign their products to reduce waste and toxicity, which would then reduce the burden on government to pay for and support regulatory programs.

Too often potential grants guide the focus of local governments, which leads to setting priorities and dedicating staff time to specific issues that may receive funding. After receiving a grant, staff time is dedicated to reporting requirements, which are often excessive. The downside to responding to grant priorities is that the local government is not getting what they need to promote sustainability, but instead is getting what an agency in Sacramento or in Washington D.C. thinks is
needed. More positively, grants are increasingly requesting or requiring collaboration among local regions and agencies, which is driving horizontal IGR.

The benefits of community engagement and participation in a decision-making process about the future are lost when government staff are simply reacting to available grants and/or regulations.

Another tension of vertical relationships mentioned by Zeemering is the capacity of local government and the need for both technical and financial support. Technical support is sometimes provided by the state or different agencies to local government but is often not as useful as financial support would be. For years, the California Integrated Waste Management Board (recently disbanded by Governor Schwarzenegger) had more staff per city than San Mateo County had locally. The technical support did not build capacity within the local cities because there were no local staff to take on the issues of waste.

The interplay between cities, counties and states has always been a challenge and with new national and statewide objectives in sustainability being introduced along with severe budget issues, this interplay will either become increasingly contentious or will inspire the introduction of collaborative process to address the issues.

**Horizontal IGR – shared values, correct scale, and collaborative process.**

One point, only briefly touched on in Zeemering’s paper, is the informal horizontal IGR that is occurring. These low-visibility, behind-the-scenes efforts are abundant and satisfying for issues like climate change and sustainability. As staff working on these issues, we tend to form our own networks, exchanging information, ideas, and staff reports. We initiate private or semi-private e-lists, wikis, conference calls and other means of electronic communication processes to debate and plan sustainability initiatives. For example, a group of county sustainability and energy staff from the Bay Area gathered after a grant workshop and had a series of meetings to talk about what was needed for energy work to really take hold in the entire Bay Area. This self-organized group then asked the Association of Bay Area Governments to take the lead on putting together a regional grant application for residential retrofits. Now we have a formal steering committee and over $10 million to run a regional program! These informal horizontal IGR are often more effective than formal relationships at initiating innovative or collaborative projects.

Zeemering’s excellent analysis identified the three main challenges to working horizontally with other local governments. I can only offer some personal observations to support his findings. Agreeing on shared values is often a big challenge in working with other agencies. Staff tend to appreciate working cooperatively as we see the efficiencies in time and money and tend to be more focused on being effective rather than recognized. Often though, other interests intervene. Although most elected officials and executive management talk about cooperation and intergovernmental projects, the barriers are enormous. Legal and
political will need to be in alignment and to value the partnership more than the personal gains or recognition from a specific project. Part of cooperation is to let go of control and have the willingness to be part of a team, but often the competitive nature of politics wins out.

Identifying the correct scale for addressing issues of sustainability is definitely another challenge – for example, water availability, sea level rise and air quality are all large regional issues. However, actions to conserve water, reduce water demand in new developments, and build bicycle and pedestrian friendly streets, all fall under local jurisdiction but help mitigate these larger issues. In the field of climate change, debate continues over how we should define regions to address specific climate and sustainability issues. Does the local community lose its connection to the issue if the solution is arrived at on a regional basis?

Collaboration can certainly slow progress, but in the long run, the results are better, more easily accepted and implemented. The act of shifting from a haphazard cooperative (or uncooperative) approach into a true collaborative process may be the biggest challenge we face in integrating sustainability into our decision-making process. Identifying and inviting the appropriate stakeholders and then accepting the outcomes of a group that is not necessarily under the direction of local governments are not comfortable or common approaches. Too often, the concept of public participation is confused with a public hearing, and so voices that could contribute valuable points of view are not given the opportunity to participate in dialogue, but only given a chance to speak.

Another challenge to incorporating collaborative process is that most government managers and elected officials have a hierarchical mindset. Although they may speak with passion about our need to work together, at the first sign of any disagreement, the hierarchy is imposed or a city will withdraw from participating simply because they can. Zeemering included an important quote by Innes and Booher: “sustainability is about process, not about a particular vision, pattern, set of rules or criterion.”

The main challenge for cities and counties will be to understand the value of the process and to develop the capacity for facilitating and participating in real collaboration. From my perspective, establishing a culture and expectation of collaborative process is the key to successful integration of sustainability into public process.

**Future research**

Zeemering posed some future research questions, which will no doubt offer some further insight into how local governments are integrating sustainability into their policies and programs. This is a fruitful time to explore the relationship between local and statewide efforts and which influences the other. Nonprofits should not be ignored, as they have been instrumental in raising awareness and driving change.
Sustainable San Mateo County continues to produce an annual Sustainable Indicators Report, which is widely read and often inspires action. The Sierra Club Loma Prieta Chapter organized residents into local task forces to urge each of their city councils to become a Cool City. This was the driving force behind the local climate change movement; after the cities adopted greenhouse gas reduction goals, they needed to determine how to proceed. The continuing pressure and interest from several nonprofits pushed the cities to work together and another nonprofit, Joint Venture Silicon Valley convened a Climate Change Task Force to bring the local governments together to identify shared goals and potential projects.

I would recommend that future research on limitations include the effects of the political system on sustainability, including how the public views horizontal IGR. Do they choose elected officials on the basis of how well they participate in the process of sustainability or do they vote on an issue-by-issue basis? For that matter, do members of the community who support public collaboration and community engagement vote differently than community members who are deeply competitive? If sustainability is a process, then to be fully integrated into how we govern, it will need to take root in all levels of our political world, including how we determine who to elect.

I agree with Zeemering that public administrators can move sustainability forward through considering how best to plan, scale and govern sustainability initiatives. The next decade will surely offer many changes in how to govern effectively, and how to make decisions that will balance the environmental, economic and social equity needs in such a way that we create and maintain sustainable communities.

*Paper presented at the annual meeting of the American Society for Public Administration, San Jose, California, April 9, 2010.*
U.S. state and local governments engage in international issues in ways previously not envisioned, building relationships far beyond the areas of economic trade promotion, cultural exchanges, and tourism. Manning (1977) coined the word “intermestic” to describe the narrowing distinction between domestic and international issues. Both the international and domestic components of intermestic issues involve subnational governments (Duchacek (1984)). With jurisdictional overlap, coordination, interdependence negotiation and persuasion become more important and the notion that international relations are strictly national is outdated. Subnational governments’ international activism encompasses a wide range of activities, including the climate change agenda, human rights issues, economic sanction and related divestment policies, global finance issues, drug policy and other criminal justice issues, food safety, and more. Internationalized federalism has brought changes to both horizontal and vertical intergovernmental relations. Dovetailing with the activism is an expanded mission for state and local associations, which play key coordinative roles. There is little empirical research on international intergovernmental relations, and no coherent theory that explains the impacts on American federalism.

This paper examines the emergence of subnational international engagement, focusing on the justifications for and impact of increased international intergovernmental relations as well as arguments against the activism. The role of the traditional intergovernmental lobby in coordinating international engagement is demonstrated with examples. Suggestions for a research agenda to study the developments are offered.
Internationalizing Federalism

Forty-four U.S. cities, eighteen counties, and sixteen states passed or considered legislation related to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), signed by President Carter in 1980 but not ratified by the Senate. Some have formally advocated that the U.S. ratify CEDAW, most notably, San Francisco integrated CEDAW principles into their operations. By 2010, one hundred and eighty-six countries had ratified CEDAW and the Obama Administration has mentioned CDAW as one of the human rights treaties it may send to the Senate for ratification.

Some individuals opposing the Kyoto Protocol, signed by President Clinton, based their arguments on power and process. Using the acronym COMPASS to suggest the importance of place, the Committee to Preserve American Security and Sovereignty claimed that decisions usually classified as domestic in U.S. law and politics, not foreign, gave power to the President at the expense of Congress, local governments, and private groups (1998). When President George W. Bush withdrew U.S. support for the Kyoto Protocol, cities such as Seattle and Salt Lake City enacted ordinances targeted to Kyoto utility emissions guidelines. In spring 2005, nine U.S. mayors agreed to their own climate protection program, approved by the U.S. Conference of Mayors (USCM) and, by fall 2008, 884 mayors who represent more than 81 million people endorsed the program. The mayors pledged to cut greenhouse gas emissions 7% below 1990 levels by 2012, meeting the U.S. target in the Kyoto Protocol. The horizontal interaction extends worldwide through the Large Cities Climate Leadership Group, now called C40, which includes more than 35 of the world’s largest cities, including some in the U.S. These efforts attempt to reduce emissions, promote technological development, spur the adoption of climate regulation by the U.S. Congress, and promote international climate regulatory cooperation. A number of
U.S. states cooperate with some Canadian provinces and some European countries on “cap and trade” issues (http://www.icap-carbonaction.com).

What previously were viewed only as nation-to-nation issues-- the Kyoto Protocol, CEDAW, human rights issues, food safety, and toy safety--are increasingly considered to be translocal governance issues as a result of interactions among local and state governments, facilitated by their networks, most notably the state and local associations. Additional examples of state and local interactions with each other in the traditionally international realm are initiatives taken to alter the conduct of the Vietnam and Gulf Wars as well as the current conflict in Iraq. Conflict in Northern Ireland and the Middle East, nuclear free zones, divestment/selective purchasing, the sanctuary movement, efforts to promote nuclear disarmament and to protect against land mines, to end apartheid in South Africa, and to provide restitution for holocaust victims all saw interstate and intermunicipal interactions.

There is a growing legal literature on this topic (Resnick 2008). Ahdieh (2008) makes a key point in arguing that the dynamic part of subnational, national and international coordination today is not the national coordination of subnational actors in the service of international needs; instead state and local governments are increasingly engaged with foreign authorities and international questions. These interactions suggest a “third way” in emergent American federalism, a system in which interdependence and overlap fosters the potential for recurrent engagement, learning and coordination. Interlocal and interstate horizontal coordination leads to international interactions with implications for the national government and international law.

focused on promoting tourism and trade, globalization, immigration, human rights and climate control. Policy activists, working through networks and organizations, link legislators across state boundaries, helping to diffuse policy innovations. Fry (1998) and Johnson (2005) suggest that subnational governments and their professional associations enter into agreements and interact with each other and their counterparts in other countries in ways that are beyond the control, supervision, or even monitoring of the national government. That includes developing policy agendas that produce resolutions and lobbying either horizontally or vertically. By 2000, for example, twenty-six municipalities and 4 states had enacted economic sanction laws aimed at Burma, Nigeria, and other nations (Guay 2000). A dozen years ago, Donald Borut (1988), executive director of the National League of Cities, the nation’s oldest and largest municipal organization, wrote about local governments adopting an international agenda. Borut currently is also the secretary general of the North American Section of the United Cities and Local Governments (UCLG), a global organization dedicated to strengthening the capacity and performance of local governments around the world.

The increasing international roles and visibility of states and local governments have important implications for public policy, international relations, and federalism. Key roles are played in economic development; environment science and technology; human rights, international security, trade and investment, women and international law, and lesser roles in international institutions and transnational litigation and arbitration. As trade, technology, and information become more international, the implications of subnational government actions with international implications increase (Kline 1993, Hocking 1993, Hobbs 1994; Fry 1998, Guay 2000).

**Rationale for State and Local Government International Activism**
More than two decades ago, Fry (1988) offered six reasons for increasing state activism that also apply to local activism: (1) Awareness of the effects of economic globalization and interdependence; (2) Need for new marketing and investment opportunities; (3) Electoral factors showing the need to attract foreign investment and expand trade and tourism to diversity the economic base, expand tax revenues, and generate jobs; (4) More entrepreneurship in generating economic growth due fewer grants from Washington; (5) Advances in communications and transportation and internationalization of production, and the (6) Constitutional ambiguity in limits to state actions. Fry’s analysis focused primarily on economic activities.

Scholars, mostly in the 1990s, documented the increasing subnational activism on the world stage (Bilder 1989; Kincaid 1999; Schuman 1998) and related municipal involvement in foreign policy to two international trends: globalization and devolution. As subnational governments were becoming more closely linked economically and through technological advancements, it was realized that their actions have implications abroad and that they were vulnerable to foreign actions. Many scholars (Kincaid 1990; Schuman 1998; Brooks 1995; Clarke and Gaile 1998; Clough 1994; Fry 1998; Hocking 1999; and Kline 1999) focused on how international trade agreements prompted by globalization led to job losses.

States and local government seek foreign firms to open businesses within their states and municipalities as part of their economic development policy. They also provide help to U.S. businesses to increase exports. Griswold (2009) contends that America's growing globalization is the result of three basic changes: growth of the global economy, reduced government barriers to international trade and investment, and the spread of new technologies in transportation, telecommunications, and computing technology. The rise of a global middle class means that there are more people to buy American goods.

The intergovernmental lobby, including the National Governors’ Association (NGA) National Conference of State Legislatures (NCSL), Council of State Governments (CSG), National Association of Counties (NACo), National League of Cities, (NLC), and U.S. Conference of Mayors (USCM) serves important roles in promoting subnational international activism. These organizations are sources of policy research, member jurisdictions’ capacity building, and lobbying the national government. They are important to setting the communications foundation for horizontal local and state interactions in the international arena. The organizations’ information, services, and conference help create norms for elected officials and help shape policy preferences (Betsill and Bulkeley 2005).

The International City-County Management Association (ICMA) does not lobby but, with its 9,000 members, is a key part of this communications network. ICMA has designed, implemented and evaluated more than 500 projects in 70 countries since ICMA International was created in 1989 to promote government excellence. As does the intergovernmental lobby, ICMA shares best practices in a wide variety of policy and management areas, sometimes with federal funding from the Environmental Protection Agency (EPA) and the U.S. Agency for International Development. USCM worked for passage of the Energy Efficiency and Conservation Block
Grant program that billions to U.S. cities. The NLC has a Migration Project Collaborative that helps to integrate immigrants and the NGA is currently developing international benchmarks for many state programs.

The reasons for state and local international activism are greater now than ever before. International trade agreements entered into by the U.S. national government are intertwined with state laws, binding all levels of U.S. government to various policies. The North American Free Trade Agreement (NAFTA) and the World Trade Organizations’ (WTO) General Agreement on Trade in Services (GTS) are cases in point. They are based on a trade negotiating process called Fast Track Trade Authority, established by the Bush Administration in 2002 after passing in Congress by one vote. The law expired in 2007 and the Bush Administration was not successful in obtaining new Fast Track powers. Critics of Fast Track, such as Public Citizen’s Global Trade Watch (www.citizen.org) track trade agreements perceived to threaten “state sovereignty” and advocate states’ demand for new directions in trade policy. Critics claim that Congress delegated its constitutional authority to set trade terms to the executive branch and excluded a meaningful role for states in making trade policy.

State and local procurement policies are affected by the WTO’s Government Procurement Agreement (GPA) and the Central America Free Trade Agreement (CAFTA), including measures aimed at preventing offshore jobs, “Buy Local” or “Buy America” policies, and preferences for such items as recycled materials, renewable energy, and fuel efficient vehicles. Thirty-one states rejected CAFTA procurement provisions in 2005. More recently, for trade agreements with Peru, Panama, and Colombia, all but eight governors declined to sign up to the agreements’ procurement rule. Since 2005, Maryland, Rhode Island, Hawaii, Minnesota and
Maine passed laws saying that the power to sign up to procurement terms of a trade agreement rests with the state legislature.

A WTO challenge of a U.S. state means that the signatory countries can challenge federal and state policies as violating an international trade agreement. A trade tribunal makes a binding ruling in the dispute resolution system in which state officials have no standing and must rely on federal officials. If a state policy is judged to violate the rules, it must be changed or trade sanctions can be imposed. The U.S. national government must use all constitutionally available powers, such as preemptive legislation, to obtain state and local government compliance with trade tribunal rulings. Countries can challenge U.S. state laws as barriers to trade under NAFTA and corporations can file suits against such policies in trade tribunals. NAFTA’s Chapter 11 investor-state enforcement system has been used to challenge state court decisions and environmental laws, as well as local land use policies and public health measures.

With the WTO’s GATS, the U.S. national government committed states to rules regarding how more than a hundred services are delivered, including transportation, telecommunication services, and financial services; services related to fishing, energy, gambling, mining, and information; and health insurance. States contend that the treaty’s rules make it difficult to regulate the service sectors and threaten innovative state programs such as efforts to expand low-cost health care coverage to the uninsured. Many states argue that GATS has accelerated the offshoring of service-sector jobs and are threatened about possible effects of the agreement on health care quality and higher education. In 2006, the governors of Maine, Oregon, Michigan, and Iowa wrote to the U.S. Trade Representative to demand that those states be removed from prior and future U.S. GATS commitments.
States have been aggressive in their opposition to parts of international trade agreements and had an impact on the sunset of “Fast Track.” State legislators are working with Congress and the Obama Administration to develop a new system for formulating trade policy that contains “federalism protections” for the states. The Trade Reform, Accountability, Development and Employment (TRADE) Act was referred to the Senate Finance Committee in December 2009. If passed, the new presidential trade negotiating process would provide meaningful consultation for states about provisions of trade agreements that limit state regulatory authority. States would determine which investment, service sector, and procurement regulatory terms apply to them. The Government Accountability Office (GAO) would be required to conduct a comprehensive review of existing major trade pacts, including economic outcomes in the U.S. and abroad, and various security, human rights, social and environmental indicators. TRADE’s new model for state-federal consultation could stop international pre-emption of state regulatory authority and reestablish state authority to regulate domestic and foreign serve-sector firms operating within a state, shielding states from costly lawsuits.

TRADE reinforces a position promoted by the National Conference of State Legislatures (NCSL) that negotiations should use a “positive list” method. Current NAFTA-style agreements use a top-down or negative list structure in which policy in every sector of the service economy must comply with trade agreement constraints unless exceptions are written into agreements before passage. The same method is used for investment and procurement policies, but hasn’t lead to any victories for states in convincing federal negotiators to carve out a particular sector or service. The NCSL position, built into TRADE, requires that future agreements be negotiated via a bottom-up approach requiring states and the national government to explicitly list which service, investment, and procurement sectors are covered by an agreement.
State governments and local business often lead the way in promoting trade with established and expanding markets. Governors and state delegations are developing increasingly close trade relationships with countries around the world. State legislators increasingly have taken the lead on measures that would cut off engagement and undercut efforts to attract international investment that supports jobs and raises living standards. The Obama Administration’s goal is to double U.S. imports in five years (www.ustr.gov/2010-trade-policy-agenda), realizing that 95% of consumers live outside the U.S. That goal will likely increase subnational activism on trade-related issues.

Governors have been increasingly active in internationalizing their activities. Kincaid (1984) was an early commentator on governors. More recently, McMillan (2008) acknowledged that lack of a strong empirical or theoretical understanding of governors’ roles and motivations for international involvement. Their activities are considerable: leading overseas missions to seek foreign investment and promotion of trade’ establishment of international offices; meeting with officials from other nations; receiving ambassadors in state capitols; taking positions on American foreign policy; signing agreements with other national and subnational actors; and overseeing National Guard units. Their activities span all of the policy areas mentioned in this article--economic, environmental, political, social justice, and more (Beaumont 1996; Kline 1996; Fry 1998). Their activities and connection may have increased, in part, due to devolution (Conlan 1998; Conlan and Sager 2001). The NGA and CSG both advocate high profile, active roles for governors in international affairs (Whatley 2003; National Governors’ Association 2002).

Another argument for increasing state and local international activism is that those jurisdictions have more responsibilities than the national government in matters broadly construed as
“sustainable development.” Local land use and zoning policies and state and local economic
development and taxation policies are substantial. The national government establishes minimum
air, water, solid waste, and pesticide policies, but states implement environment regulations. In
areas such as climate change, subnational governments have been the most aggressive. States
with holistic environmental, economic and social perspectives toward climate change include
Minnesota, New Jersey, and Oregon, but Washington, California, Colorado, Illinois, Maine,
Massachusetts, and Pennsylvania have been leaders in “green” goals for new technology,
building construction, procurement, energy consumption, and climate change. Policy and
program failures in these areas have substantial impact on states and their local governments
(Engel 2006).

In 1992, the UN Conference on Environment and Development was held in Rio de Janerio,
Brazil. The International Council for Local Environmental Initiatives (ICLEI), established in
1990, serves as the international environmental agency for local governments, helping them to
translate the theme, “Think globally, act Locally,” into practice (http://www.iclei.org). Climate
change has been a major initiative, with the Urban CO2 Reduction Project involving fourteen
North American and European municipalities. A Cities for Climate Protection (CCP) program
began in 1993 and had about 500 members worldwide by 2001, including 109 in the U.S. The
goal is to include local governments representing 10% of GHG emissions and offer them
technical assistance in controlling emissions. Local governments can reduce GHG emissions but
also obtain economic savings and other environmental benefits, which may be the major
motivator for participation. Mobilization in the U.S. can occur through the intergovernmental
lobby at the national level. An example is the USCM’s Climate Protection Center
(http://www.usmayors.or/climate protection). ICMA and its members participate in international
organizations such as the UN Human Settlements Program and, on sustainability, UN Habitat, which is focused on the rapid urbanization that will result in sixty percent of the world’s population being urbanized in the next two decades (UN-Habitat 2008).

Federal regulations would likely have more impact in obtaining more significant emissions reductions than states and local governments can achieve. If they are to be regulated, businesses often prefer uniform national regulations and not individual, often inconsistent, state laws. From the local perspective, however, climate change activism can shape public opinion on international issues and, thus, influence national government action. Even though the passage of local resolutions is not binding, resolutions can stimulate local debate (Hobbs 1994; Kincaid 1999; and Shuman 1998) and perhaps influence national actions. Local governments can take their international concerns directly to national decision makers by lobbying. Congressional representatives and many federal agencies have intergovernmental departments. Guay (2000) noted that a multipronged approach to influence U.S. policy could create uniformity in laws and use of technology.

Communication by U.S. cities with cities in other nations can influence other national governments. At minimum, local communities can offer ideas and options useful to international deliberations (Bilder 1989) and share information around the world (Kincaid 1999). Risse (1995) and Keck and Sikkink (1998) emphasize the importance of transnational networks, which help frame issues within the world context and include local officials and various advocacy organizations.

U.S. interstate and interlocal cooperation—horizontal federalism—that results in strong regional coalitions may be able to achieve the same or better results than federal activity (Cigler 2010) in
some policy areas, although this has not been explored for intermestic issues. Such horizontal federalism might lead to standard setting networks with participation by many nations. Heinmiller (2007) focused on the Great Lakes Basin to examine the idea of a compact that might involve the joint development by a group of states of common minimum substantive and/or procedural legal standards to manage a shared resource, water, but leave individual states the flexibility and autonomy to administer the standards under state law.

“Immigration federalism, “coined by Hiroshi Motomura (2008) provides an especially illuminating example of the intertwining of domestic and foreign policy from a federalism perspective. He argues that undocumented or illegal immigration—what he calls “immigration outside the law”-- must be examined by assessing three interrelated themes: the meaning of unlawful presence, the role of states and cities in enforcement, and the integration of immigrants or community-building. The definition of unlawful presence is connected to the role of states and cities” in enforcement authority in immigration law and the integration of immigrants through local community-building.

“Immigration federalism” has sparked lively debate among legal scholars. Michael Wishnie’s “Laboratories of Bigotry? Devolution of the Immigration Power, Equal Protection, and Federalism” depicts some of the debate (2001). Debunking arguments that state and local governments can benefit national security and enforcement of immigrations laws, those critical of immigration federalism fear that state and local law enforcement of federal immigration law discourages non-citizens from reporting crimes and encourages racial profiling.
This debate pits the branches of state government against each other. An Arizona state legislator who helped pass nine laws discouraging illegal immigration had each bill vetoed by then Governor Janet Napolitano on fiscal and constitutional grounds. Napolitano is currently the Secretary of the U.S. Department of Homeland Security (DHS), with responsibility for immigration policy. The DHS Quadrennial Homeland Security Review (2010) embraces the three themes outlined by Motomura regarding immigration and suggests the landscape of future federalism challenges on defining immigration outside the law, law enforcement and community-building. Disputes between the national and state governments will likely escalate as states face tightened budget situations.

Huntington (2008) and Motomura (2008) reviewed the debate among legal scholars regarding the legality of immigration federalism, as well as the array of early court decisions. Through just the first quarter of 2008, the NCSL (http://www.ncsl.org/Portals/1/documents/immig/immigreportapril2008.pdf) reported that at least 1,106 bills on immigrants and immigration were considered in 44 states. Twenty-six states enacted 44 laws and adopted 38 resolutions or memorials. States address both enforcement and integration issues related to immigrants, with the top three areas of interest in recent years being law enforcement, employment, and identification documents. The federal government may be primary for immigration policy, but states deal with the health, safety, welfare and education of the immigrants.

**Arguments Against State and Local International Activities**

Hocking (1993) argues that, from a normative perspective, whether the state and local international activism is positive or negative is in dispute. For some, the activism represents a highly desirable democratization of the foreign policy process, which traditionally is the domain
of the executive branch of the national government. State and local efforts to ensure respect for human rights offer an opportunity to restructure the international order toward the pursuit of more ethical goals.

To others, however, the trends represent a dangerous deviation of powers from the national government’s power to conduct a coherent foreign policy. Despite normative assessments, relationships between domestic and international politics and the importance of human rights in foreign policy making are altered as democratization and respect for human rights in totalitarian countries is promoted. The role of the U.S. in post-cold war global politics and the role of economic vs. military and defense concerns in foreign policy is also altered. This is controversial because it can be argued that sanctions hurt the most vulnerable people in the targeted countries. Citizens lose jobs and access to basic goods and services and international contacts, but leaders remain largely unaffected. That is, the “ends” of such laws are ethical, but the “means” used to seek the ends are themselves argued to be immoral. According to Hoffman (1981), other policy tools, such as constructive engagement, might be a more beneficial path toward ethical policy.

A related argument is that foreign policy actions by individual states, while well-intentioned, undermine the ability of the United States to speak with one voice, which is critical to American international leadership. Subnational actions sometimes pose a dilemma for U.S. political and economic relations with other countries who sometimes view state actions, such as sanctions, as a violation of U.S. international commitments, in addition to not likely affecting the behavior they seek to change. Sustained diplomatic efforts and increased aid and humanitarian efforts are advocated instead.
The Massachusetts’ “Burma Law” is a case in point. It took effect in 1996 as a response to developments within Burma (now Myanmar). The ruling military junta had seized power, killed hundreds of people, repressed a pro-democracy movement, and allegedly turned to opium trafficking to promote economic growth. Massachusetts banned all state agencies from signing contracts with companies, whether U.S. or foreign, doing business in Myanmar. Many companies withdrew from Myanmar, but dozens of others did not. Massachusetts had selective purchasing aimed at South Africa in the 1980s via a gubernatorial executive order. In 1998, however, a U.S. federal judge ruled the Myanmar legislation unconstitutional.

Despite the decision, sanctions legislation has proliferated among U.S. states and, by March 2000, thirty-seven sanctions laws aimed at selective purchasing and/or selective investment were enacted by 4 states and twenty-six municipalities, including New York City, California and New York. The laws are directed at Myanmar, Indonesia, Sudan, Nigeria, Northern Ireland, Cuban, and Tibet. Other laws target countries with sweatshop or forced labor. Others target insurance companies linked to Holocaust victims or aim to stop the destruction of tropical rainforests.

Business groups are the most active opponents of state and local trade sanctions. They don’t deny that morality has a legitimate role to play in global trade but argue that consumer boycotts and shareholders’ resolutions are more effective ways to introduce market pressure.

USA*Engage (www.usaengage.org), established in 1997, is a coalition of small and large businesses, agriculture groups and trade associations that seeks alternatives to the proliferation of unilateral U.S. foreign policy sanctions and promotes the benefits of U.S. engagement abroad. It was established and organized under the National Foreign Trade Council (NFTC) (www.nftc.org) and leads a campaign to inform policy-makers, opinion-leaders, and the public about the counterproductive nature of unilateral sanctions, the importance of exports and
overseas investment for American competitiveness and jobs, and the role of American
companies in promoting human rights and democracy worldwide. The NFTC was founded in
1914 and is the oldest and the leading business organization that advocates for an open, rules-
based global trading system with its 550 member companies. The organizations argue that
sanctions are counterproductive in that they hurt people, not regimes (Hadar 1998).

It was USA*Engage that filed suit against the Burma law, charging unconstitutionality. The
European Union (EU) and Japan also planned to challenge state sanctions at the WTO, arguing
that the Massachusetts law violated U.S. obligations under the 1996 WTO agreement, the
Government Procurement Agreement, or GPA. By that treaty, Massachusetts and thirty-six other
U.S. states were to open up public procurement to international competition based solely on
economic, not political, considerations. However, city sanctions laws were not challenged as
cities were not signatories to the agreement. The GPA—and the WTO—didn’t exist in the 1980s
when selective purchasing targeted South Africa. Massachusetts officials claimed that didn’t
know that the selective purchasing law violated WTO rules. Japan and the EU also complained
that the U.S. and its fifty states do not have a right to apply national or state laws to foreign
companies. Massachusetts officials protested that it was not appropriate for Japan to involve
itself in the international affairs of Massachusetts. Before these disputes played out, the U.S.
Supreme Court struck down the Massachusetts Burma (Myanmar) Law...

The strongest reactions against state and local international activities are based on constitutional
issues, primarily reactions to selective purchasing, selective investment laws that prohibit states
or local agencies from investing public funds in certain companies and required disinvestment by
state pension funds of stock in such companies. In the 1990s these laws focused primarily on
Burma (Myanmar), Nigeria, Tibet, Cuba, Indonesia, Switzerland, and Northern Ireland, although
other laws address unfavorable practices in any country. A number of cities that enacted economic sanctions, such as Berkeley, Oakland, and San Francisco, CA, Takoma Park, MD, anticipated constitutional challenges and attempted to circumvent them by drafting their legislation as local in nature and not subject to federal review since the municipalities claim to act as market participants, not regulatory bodies.

Three constitutional issues are raised by the laws:

(1) Whether they violate the Foreign Commerce Clause;

(2) Whether they intrude on the national government’s exclusive power to conduct the nation’s foreign affairs; and

(3) Whether the laws are preempted when Congress or the President has acted.

Does the Constitution’s Supremacy Clause—Art. 6, Clause 2—give the national government the exclusive responsibility for foreign affairs? Does Article VI of the Constitution mean that international treaties and laws are “the Supreme Law of the Land,” preempting state and local laws and regulations? In the case of Burma (Mynamar), the national government has imposed sanctions but there are no federal laws regarding trade relations with other nations so is preemption implied? Does the federal government’s membership in the WTO and role as a signatory to GATT (General Agreement on Tariffs and Trade (GATT) Agreement on Government Procurement preempt state and local government regulation regarding international procurement regulation? Does the Commerce Clause, Art. 1, Section 8, Clause 3 of the Constitution bar subnational governments from engaging in regulation or taxation of commerce as a burden on interstate or foreign commerce? Is it essential that the U.S. speaks with one voice on foreign commerce?
Another argument by opponents of state and local international activism is that the U.S. constitutional system does not have a mechanism to ensure that state, local, and national governments respond uniformly to any changed circumstances from those that led to the adoption of measures aimed at a foreign nation. Fenton (1993) points to a national anti-apartheid law that came into existence in 1986 at a time when more than 100 municipalities had some type of divestment or contract debarment laws. When the president ended most sanctions, an option under the national law, only one state repealed its divestment law.

**Continuing Constitutional Ambiguity Despite Supreme Court Decisions**

Despite the arguments claiming unconstitutionality, there is much ambiguity in the Constitution and in court decisions. Bradley and Goldsmith (1998) argue that the Constitution did not make foreign relations an absolute value and did not exclude all state authority that might have an effect on foreign relations. They argue that foreign relations and federalism are competing values, but that the national political branches can decide when subnational action has sufficiently adverse effects on foreign relations to require preemption. That is, both U.S. national interests and the competing federalism concern are negotiated to some extent.

Bradley and Goldsmith (1998) point to a number of examples in which the Senate attached both a “federalism understanding” and a “non-self-executing” declaration as a condition of its consent to human rights treaties and review a number of judicial decisions that used a dualistic approach to international obligations. The original GATT and NAFTA trade agreements, moreover, provided for a national-state consultation process and allowed only the national government to challenge state laws as in violation of the treaties. In effect, the national government has long taken federalism into account when assessing the national interest (Howard (2004). The
outcome of the proposed TRADE legislation, with its provision for subnational consultation would further clarify this issue. State and local governments’ hortatory resolutions are unlikely to be challenged and, if litigated, subnational governments will justify their actions as protected by the First Amendment’s free speech guarantees.

Kline (1999) focused on economic sanctions and pointed to practical political realities that call for more cooperation by the executive branch toward subnational international activities, providing a quote by Secretary of State Madeleine Albright that stated President Clinton’s recognition of state and local officials’ authority to determine investment and procurement policies and their responsibility to take moral considerations into account. Kline (1999) cited testimony by the State Department that mentioned consultations with the NGA, the National Association of State Attorneys General, and the NCSL, who were recognized for facilitating contacts, providing information and sponsoring discussion on foreign policy issues, but not playing a central role. Kincaid (1999) characterized the relationships among U.S. levels of government as co-operative dual federalism, with state and local governments carving out international niches and finding the federal government to be mostly tolerant and cooperative.

Kline (1999) called for the creation of a specific body to improve foreign policy cooperation and consultation among all levels of U.S. government but Kincaid cautioned against too “rational” of a public administration approach for what he viewed as a new, diverse, and dynamic activity. He opted for coordinative mechanisms and “soft law” rules of the game, rather than what he called “hard “law” regulations. This dovetails with Hocking’s (1999) view that our federal system is a mix of constitutional norms, judicial interpretations and pragmatic political considerations.
There is currently no process for reporting state or local foreign agreements to the federal government. Non-binding, cooperative relations are little studied in terms of content. Subnational governments tend to be careful in avoiding words such as “will” and “shall” and the Treaty Office of the Department of State can review the language used, but it is not mandatory.

In 2000, the unanimous U.S. Supreme Court decision, *Crosby v. National Foreign Trade Council*, found that the Massachusetts law restricting state transactions with firms doing business in Burma was preempted by a federal Burma statute. While the law was struck down, the opinion did not conclude that states could not engage in international activity. Instead, it was held that the existing national law that placed sanctions on Burma, which was written after the Massachusetts law (Stumberg and Porterfield (2001), preempted the state law. The decision reinforces the idea that states play a minimal role in international relations decision-making. However, Howard’s (2004) review of the State Partnership Program (SSP), which pairs state National Guards with other nation’s military forces, highlights a critical and significant role by the states in implementing U.S. foreign policy. Similarly, the Trafficking Victims Protection Act of 2000 has thrust the states into implementing roles and also spurred the passage of state legislation (e.g., WA, TX, and FL) on human trafficking related to human rights and heath risk issues, including servile marriage, international matchmaking organizations, and other victimization of women and children.

In *American Insurance Association v. Garamendi* in 2003, the Court reaffirmed the relevance of the dormant federal foreign affairs power to preempt state law, but the scope of that 5-4 is unclear. Some states have more recently proposed or enacted divestment legislation against Sudan due to the situation in Darfur. National legislation (P.L. 109-344) doesn’t contain a provision on preemption on state sanctions against Sudan but a federal district court in 2007 held
Illinois’ Sudan sanctions law to be unconstitutional and permanently enjoined its enforcement. Bills currently in Congress, on the other hand, contain provisions that support state Sudan-related divestment measures. U.S. Business groups admire the intention behind such legislation, but conclude that increasing engagement in foreign policy by states and cities complicates the ability of the President and Congress to make foreign policy decisions. More targeted legislation that allows divestment to be used sparingly is the compromise position.

The Congressional Research Service (Grimmett 2007) reviewed constitutional issues involved with state and local economic sanctions. Considering arguments that subnational entities enact sanctions under sovereign proprietary powers and other constitutional prerogatives, the question considered was whether this impermissibly invades national commerce and foreign affairs authorities and whether federal law preempts in some cases. These continue to be important issues with regard to state proposed or enacted divestment legislation against Sudan. Despite the decision of a federal district court that held the Illinois Sudan sanction law to be unconstitutional (Nat’l Foreign Trade Council v. Giannoulias, 523 F. Supp. 2d 731) in February 2007, subnational governments sought support from Congress. The Sudan Accountability and Divestment Act of 2007 (SADA) was passed (Pub. L. No. 110-174, 121 Stat. 2516), with Congress claiming to assert its authority without violating international obligations or the President’s authority. President Bush, however, said he retained exclusive authority to conduct foreign relations (http://www.whitehouse.gov/news/releases/2007/12/20071231.html) (last accessed February 15, 2010). The NFTC and USA*Engage, which successfully challenged both the “Burma Law” and the Illinois law (http://www.usaengage.org/index.php?option=content&task=view&id=226&Itemid=61), viewed the bill as limiting subnational governments. The NCSL
on the other hand, issued a statement saying that too much obligation was placed on the states to identify companies making illicit investments. The issue is unsettled. “Intermestic” issues defy simple categorizations of national vs. local or national vs. international. There is currently additional legislation being considered in the U.S. Senate on Sudan divestment.

Constitutional doctrine regarding preemption of state and local laws in foreign affairs is in flux. Climate change and immigration policy, among other examples, are part of evolving doctrine. The *Crosby v. National Foreign Trade Council*, relating to the Massachusetts Burma (Mynamar) Law, found that the state law interfered with the President’s statutory discretion to control economic sanctions and the congressional directive for the President to help develop a multinational Burma strategy. The national law was in place before the state law and the state sanctions were more serious than the national sanctions. The Court majority felt that the state law would have undermined the President’s ability to engage in effective diplomacy. The WTO had already complained against the U.S. and caused conflict, rather than international cooperation.

On the other hand, the decision was cautious because it eschewed the possibility of a broader holding that would address foreign affairs preemption even when the federal government has taken no action.

The more recent decision, *American Insurance Ass’n v. Garamendi*, is potentially more significant, but is difficult to interpret. The majority in the 5-4 decision found the California law invalid as an interference with presidential foreign policy making authority and a basis for preemption. The state wanted to place more pressure on foreign companies than did the president. The minority contained two liberals, Justices Ginsburg and Stevens and the Court’s
most conservative justices, Scalia and Thomas. Ginsburg’s dissent said that the CA law mandated an information disclosure, not coercive payment of claims; the President had not entered into a formal executive agreement to settle claims against foreign insurance companies; and that the state law didn’t alter the President’s ability to speak with one voice for the nation.

If read broadly, the case would preempt nearly any state regulation dealing with a matter that could also be the subject of foreign negotiations. That seems unreasonable in that states deal with so many areas entangled with foreign affairs--intermestic issues. A more realistic reading of Garamendi is that the issue was overwhelmingly an international, not state issue. For issues in which the state’s interest is very strong, such as climate change, in which state regulations are directed at modifying future conduct that takes place entirely within the state, the Court may find differently (Farber 2008).

The Compact Clause of the Constitution applies to interstate agreements and the Supreme Court has not construed this to ban all agreements between states, only those that encroach upon or interfere with the federal government. The application of the Compact Clause between states and foreign governments is not resolved. States undertake numerous types of information activities with other nations that are not explicitly intergovernmental obligations, that is, they are not arrangements sufficiently sweeping to constitute compacts, which, while not treaties, must be approved by Congress. Currently, however, the national government does not obtain records of the state actions internationally.

Suggestions for a Research Agenda
The legal ambiguity surrounding intermestic policies has left open room for new voices in international relations and law. This is especially the case when the jurisdictional overlaps occur in areas for which policy goals are shared by the various levels of government and for which no significant opposition to subnational activism occurs. When a single national standard is not perceived to be necessary, the national government tends to be collaborative toward and tolerant of increasing state and local activism. The discussion here suggests a number of research agenda items involving U.S. intergovernmental international relations and their implications:

- More empirical research on horizontal cooperation and/or conflicts among states and local governments on intermestic issues. What policies are intermestic and which are emerging as intermestic? How do domestic issues sometimes evolve to intermestic issues? How do states and municipalities exploit legal ambiguities in pursuing policy? Are the states policy innovators on intermestic issues? Does subnational collaboration increase successful regional collaborations? What types of relationships emerge on intermestic issues from state-local interactions?

- Can horizontal coordination substitute for centralized coordination on intermestic policy issues? What are the key elements of cooperation and conflict in such horizontal coordination? Does horizontal coordination foster the potential for more engagement, and coordination? How much has international coordination shifted from national-state to more interstate and interlocal relations? Should federalism research and commentary utilize more of the research and literature on governance, networks, and regionalization? Do coordination, negotiation, persuasion, and interdependence achieve sought after goals as states, local governments and the national government work on internationalized
intergovernmental issues? What circumstances encourage cooperation and which foster competition (Boeckelman 1996).

- Research on the role of facilitative organizations, such as the NGA, NLC, NCSL, and ICMA, in encouraging international activism by their members, the impacts, and the interactions with the federal government. What are the types and levels of communication and facilitation? Among those organizations that lobby, how extensive is their lobbying in the international arena? What are the activities and implications of actions by the National Association of Attorneys General and the Chief Justices of the State Courts on intermestic issues? Do these activities develop trust relationships or conflict relationships domestically and/or internationally that result in even more levels of interaction? How does the national government work with the government associations, including the intergovernmental lobby, on these activities? What are the types and levels of funding provided by the national government to these organizations to pursue their international activities? Does the intergovernmental lobby have a record of success on intermestic issues? Under what circumstances, if any, do these organizations operate as a collective force, with shared values, common discourse, and exchanges of information and services, in enabling states and local governments to act as a collective international force on issues?

- What characteristics of the internal politics, culture, and resources of the American states lead to differing ways of international engagement? How do border states, with Canada and Mexico, differ from other states in international engagement?

- What characteristics of intermestic policies lead to successful and which to unsuccessful intergovernmental international activism? Which policy areas in addition to economic
sanctions and divestment and investment policies engender strong opposition in the U.S. and internationally, and by which groups or organizations?

- Does state and local international activism result in changed national policies, and how? Do purely domestic horizontal relations between states and between local governments on intermestic issues affect national bargaining positions with other nations in positive or negative ways? Is national unity negatively affected and in what ways? Do multiple voices in international relations sometimes have positive impact, for example, in enhancing democracy?

- As a collective force, how have states changed federalism, federalism theory, legal decision-making, and regulatory processes of the national government? Has increasing state and local international engagement resulted in tensions in the national separation of powers between Congress and the President?

- Is a negotiated federalism among and between the national government, states, and local governments for some areas of international relations workable? Do redundancies and inefficiencies sometimes common to negotiated processes, as well as uncertainty, negatively affect international policy outcomes?

- How does international activism by subnational governments influence conflicts between Congress and the President?

- How does the federal government learn about state and local foreign agreements? Under what circumstances should there be federal regulations regarding state and local foreign agreements?

References


Intergovernmental Management at 50: An ACIR Perspective on Institutional Development and Policy Research Needs

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**Introduction**

The year 2009 marked the 50th anniversary of the creation of the U.S. Advisory Commission on Intergovernmental Relations (ACIR). It also marked the 50th anniversary of the unheralded launching of what would in the 1970s become recognized as the field of intergovernmental management (IGM).

This paper examines the evolution of intergovernmental management using the ACIR as a frame of reference for: (1) identifying the key IGM issues that local, state, and federal practitioners placed on the Commission’s agenda; (2) assessing the impact of the Commission’s recommendations for improving intergovernmental management; and (3) examining the current trends and issues in IGM and related policy research needs in light of the desirability and feasibility of re-creating an ACIR-like body.

**Cooperative Federalism in the Fifties**

ACIR was established by Congress in 1959 as a permanent, independent, bipartisan body. The Commission’s creation was a response to concerns accompanying the national government’s steadily growing domestic role from the New Deal economic recovery initiatives to programs spurring the post-World War II suburbanization of the nation. Federal grants-in-aid to state and local governments were a particular concern. Two noteworthy laws that expanded the federal role were the Interstate and Defense Highway Construction Act and the National Defense Education Act of 1958. Between 1950 and 1960 federal aid to states grew from $2.4 billion to $7.0 billion, with the number of grant authorizations rising from 60 in 1950 to 130 in 1960 (Wright and Stenberg 2007: 432).

The work of three temporary bodies was influential in the creation of a permanent ACIR. In 1949 the first Hoover Commission recommended that “… a continuing agency on Federal-State relations be created with primary responsibility for study, information, and guidance in the field of Federal-State relations,” and that budgetary control systems be developed for federal grants (1949: 36). In 1953, at the request of President Dwight D. Eisenhower, Congress created the temporary Commission on Intergovernmental Relations to conduct the first official study of national-state-local relations since the
Constitutional Convention in 1787. The President, and some members of Congress, were concerned about the growth of federal domestic activities at the expense of state and local governments and the related confusion and duplication of functions and administrative roles and responsibilities (Conlan 2006: 663). After releasing a series of 15 research studies on intergovernmental dynamics in programs from airports to welfare, the Commission’s final report to the President noted its work was “just the beginning rather than the end of a contemporary study of the subject of intergovernmental relations” (ACIR 1989: 6). The Commission recommended establishment of a “permanent center” in the federal executive branch to attend to the problems of inter-level relationships, study and clarify “the proper role of the Federal Government in relation to the States and their political subdivisions,” and give “continuing attention to interlevel relations.” This body was to be called the “Advisory Board on Intergovernmental Relations,” with members appointed by the President after consultation with state and local government associations (1955: 86-88). The Commission’s recommendation was endorsed by its successor, the Joint Federal-State Action Committee, which was proposed by President Eisenhower in a 1957 address to the National Governor’s Conference. The Committee worked from 1957-1959 to identify functions and revenue sources that could be reverted to the states. However, its recommendation to turn-back responsibility for vocational education and waste treatment facility construction programs, even with a tax credit on local telephone service sufficient to pay for these programs, was not supported by Congress or the governors (1957-1961).

A common theme of the reports of these organizations was cooperative federalism, featuring the joint efforts of the national government and the states to meet citizen demands for public services. The administrative complexities associated with the growing numbers of grants-in-aid were a concern, as was the absence of restraints on federal “intrusions” into state activities. Identifying rational ways to sort out responsibilities or “divide the job” among the intergovernmental partners was a way of keeping federal domestic power and influence in check. For example, emphasizing that “in the federal system action should be proportionate to need, the Commission on Intergovernmental Relations supported a limited
federal role in service delivery and regulatory affairs. National intervention would be appropriate only:

“(a) When the National Government is the only agency that can summon the resources needed for an activity…(b) When the activity cannot be handled within the geographic and jurisdictional limits of smaller governmental units, including those that could be created by compact…(c) When the activity required a nationwide uniformity of policy that cannot be achieved by interstate action…(d) When a State through action or inaction does injury to the people of other States…(e) When States fail to respect or to protect basic political and civil rights that apply throughout the United States” (1955: 64).

Two services that have been high on the national policy agenda over the past 50 years are elementary and secondary education and public health. The Commission’s recommendations in each functional area underscore its concern about federal power and interference at the time, and contrast sharply with contemporary intergovernmental policy. In its report on education, the Commission recommended that “responsibility…continue to rest squarely upon the states and their political subdivisions” and that “the states act vigorously and promptly to discharge their responsibility.” It recommended against federal aid for elementary and secondary education, except for temporary assistance in financing capital construction of school facilities in financially hard-pressed states (1955: 194). With respect to public health, a similarly restricted federal role was envisioned. Federal aid was to supplement, not supplant, state and local expenditures and to be used to encourage the adoption of new approaches and establish national minimum standards, developed by representatives of all three levels of government and nongovernmental health groups (1955: 252). The Commission further recommended that welfare and general assistance programs be financed and administered by states and localities but that federal aid for dependent children, child welfare services, and foster care be continued (1955: 270, 275).

Regardless of the philosophical or practical merits of these efforts to guide, rationalize, and constrain the growth of the federal domestic role and promote more cooperative federalism and better intergovernmental management practices, the temporary nature of each body curtailed the impact of the research and recommendations. With the submission of their work to the Congress and President, the
commissions disbanded, and momentum for implementation was dissipated. For example, while state governors were looked to for leadership in keeping the recommendations on the national policy agenda, the diversity among the states in terms of political culture, resources, and needs weakened collective interstate action and Washington, DC advocacy efforts.

Nevertheless, the work of these intergovernmental bodies, especially the Commission on Intergovernmental Relations, was influential in kindling White House and congressional interest in institutionalizing an intergovernmental presence. As recommended by the Commission, for example, President Eisenhower appointed special assistants to offer counsel in and coordinate intergovernmental relations activity. Meyer Kestnbaum, chair of the Commission, and Robert Merriam were named as the President’s intergovernmental advisors. The Bureau of the Budget was called upon to expand its intergovernmental perspective on fiscal issues. And Congress was urged to create permanent subcommittees on intergovernmental relations (Conlan 2006: 665).

The Subcommittee on Intergovernmental Relations of the House of Representatives Committee on Government Operations, chaired by L.H. Fountain from North Carolina, responded by launching a series of hearings, reports, and staff studies on the state of the federal system over a four-year period, and issued a report in 1958 recommending creation of an Advisory Commission on Intergovernmental Relations (Wright 1965). With Fountain and Maine Senator Edmund S. Muskie championing congressional consideration, Presidential advisors Kestnbaum and Merriam countering White House staff veto recommendations, and the Big Seven Public Interest Groups of state and local officials offering their endorsement, the stage was set to transform intergovernmental relations from what Senator Muskie later called the “hidden dimension” of government into a higher profile operational reality (Muskie 1964).  

The Rise and Fall of ACIR – and IGM

In May 1959 legislation was introduced in both Houses of Congress to create an Advisory Commission on Intergovernmental Relations, comprised of 26-members representing all levels of government and the
private sector. The purpose of this structure was to provide a prism through which problems and issues could be examined. The Commission’s membership was to be bipartisan and the research was to be nonpartisan. It was assumed by architects of the bill that recommendations made by a body with such diverse composition would be both administratively and financially practical and politically feasible. Other key words that captured the spirit of ACIR were “permanent and “independent” (Wright 1965).

On September 14, 1959, the Congress enacted P.L. 86-380. A few months later, Frank Bane, former executive director of the Council of State Governments, first head of the Social Security Administration, who was widely recognized as “Mr. Intergovernmental Relations,” was named chairman of the Commission. William G. Colman, former professional staff member with the Commission on Intergovernmental Relations, was appointed executive director.

Deil Wright attributed ACIR’s creation to three key factors: (1) a small number of committed federal legislative branch officials; (2) assistance and support from the national associations of state and local government officials; and (3) “homework and spadework” done by proponents of the legislation through holding hearings and collecting endorsements from conservatives and liberals (Wright 1965: 197-198). We will return to these three factors later in assessing prospects for restoration of an ACIR-type organizational capacity.

The ACIR’s statutory responsibilities included: serving as a forum for discussing administration and coordination of federal grant programs and related conditions; advising federal policy-makers on the effects of legislative proposals on the federal system; identifying and studying emerging issues or problems confronting partners in the federal system; recommending the most desirable allocation of governmental functions, responsibilities, and revenues; and identifying ways to simplify and coordinate tax laws and administrative practices to reduce intergovernmental competition and friction points in the federal system.
A unique feature of the Commission was smallness. Depending on the amount of external resources from state contributions and research grants from federal agencies supplementing its base congressional appropriation, the ACIR annual budget typically ranged from $1.5 to $2.5 million, while the professional staff ranged from 15 to 30, making it the third smallest federal agency.

Over its lifespan, ACIR produced 130 reports containing 350 policy recommendations and another 195 information reports without recommendations (McDowell 1997: 112, Reeves 1984: 164). Many ACIR reports dealt with intergovernmental management, although the term did not come into vogue until the 1970s. As will be seen, major areas of continuing IGM interest were: state government capacity-building; regional collaboration; fiscal balance in the federal system; appropriate role of the federal government in domestic affairs; proper design of categorical and block grants; and regulatory federalism strategies and tools.

On September 30, 1996 the Commission closed its doors following Congress’ decision to terminate appropriations, its main source of support. The rise and fall of ACIR have been examined elsewhere (McDowell 1997, Conlan 2006, ICMA 2009). In summary, ACIR was a victim of financial and political pressures. Amidst concerns about growth of the federal deficit and bitter partisanship, following the 1994 elections Congress was looking for expenditure cut targets, even largely symbolic ones, and the Commission had become vulnerable. Beginning in the 1980’s with the appointment of Interior Secretary James Watt as chairman, partisanship accompanied the Commission’s policy deliberations, undercutting its bipartisan image. Attendance at quarterly meetings by members of Congress and the federal executive branch representatives was spotty, leading to criticism that the Commission was becoming a state and local lobby group. These factors eroded support from the Big Seven organizations (who were responsible for nominating city, county, and state members) and within the Clinton administration. When special interests attacked recommendations the Commission was considering to provide states and localities relief from burdensome federal mandates, no defenders rose to the occasion.
The demise of ACIR raised questions about whether anyone in Washington, DC power circles really cared about intergovernmental management. To some observers, money in the form of grants rather than good management practices had been the main drivers of intergovernmental relations going back to the cooperative federalism of the 1950s. During the 1980s, the narrow lobbying agenda of the post-Reagan White House intergovernmental relations staff, the elimination of the intergovernmental affairs units of the Office of Management and Budget and some federal departments, and the broadening and blurring of the responsibilities of congressional subcommittees on intergovernmental affairs underscored the disinterest in sustaining and strengthening intergovernmental institutional capacity at the national level.

Why did this happen? One “real world” assessment concluded: “Political support for objective analysis, rational coordination, and coherent management of the nation’s intergovernmental system was never more than razor thin….Federalism is not politically exciting, and as one U.S. Senator, friendly on IGR, noted: ‘There is no political capital in intergovernmental relations or serving on ACIR’ “ (Kincaid and Stever 1992: 35).

Another factor was the devolutionary “tilt” to the federal system in the 1990s. States and localities were called upon to shoulder more IGM responsibilities consistent with their capacity and commitment and to fully play their historic roles as “laboratories of democracy” and diffusers of innovative practices (Nathan 2006). The accompanying shift in IGM emphasis from “top-down” to “bottom-up” during the reinventing government movement considerably expanded the stakeholders. “Governance,” “networks,” “collaboration,” “bargaining,” and “negotiations” across jurisdictions and sectors displaced intergovernmental management in professional literature and practice (Wright, Stenberg, and Cho 2010, Agranoff and McGuire 2001).

A third consideration was that partisan politics and special interest pressures on policy-making had weakened the market for impartial research and analysis of options and impacts. Federal, state, and
local officials were elected to make public policy in the interests of their constituents and contributors, not study it. An increasing number of well-funded liberal and conservative think tanks were engaged in the policy process, offering their perspectives on issues previously addressed by ACIR.

**The Impact Record**

For most of its 37 years, the ACIR had been an influential player on the intergovernmental scene. “ACIR grew from a nondescript agency that avoided making headlines into a respected voice on intergovernmental issues” (ICMA 2009: 8). Its recommendations were incorporated into federal legislation including the Intergovernmental Cooperation Act of 1968, the Intergovernmental Personnel Act of 1970, the Uniform Relocation and Real Property Acquisition Act of 1970, and the State and Local Fiscal Assistance Act of 1972 (General Revenue Sharing). A landmark 1967 report on *Fiscal Balance in the American Federal System* called for a new federal aid “mix” featuring a combination of categorical grants-in-aid, block grants, and general support grants (i.e. revenue sharing) to meet specific state and local needs for stimulus, flexibility, and general support respectively. This report also recommended three IGM improvements that were later implemented: enactment of legislation to authorize states and localities to submit single applications for interrelated and jointly funded projects from several federal sources; appointment of a Cabinet level intergovernmental liaison; and bolstering the Bureau of the Budget’s capacity to oversee interagency coordination of grants-in-aid (1967: 5-12, 17, 24-25).

During the 1970s, when IGM’s distinctive “top-down” features became more widely recognized through the work of the Study Committee on Policy Management Assistance, sponsored by the Office of Management and Budget and the National Science Foundation, ACIR issued several reports calling for the national government to take a lead role in stimulating management improvements, largely through streamlining and simplifying the grant system (Wright, Stenberg, and Cho 2010). These included studies of the preferred general design features of categorical and block grants, recommendations to improve management of individual federal programs like the Safe Streets, Housing and Community Development,
and Comprehensive Employment and Training block grants, and guidance to OMB on its management circulars A-85 (advance consultation of Public Interest Groups on federal rule-making), A-95 (coordination of federally-funded projects with regional plans), and A-102 (standard grant administration procedures) (ACIR 1989). Research on these topics was supported with grants from the U.S. Departments of Justice, Health and Human Services, and Housing and Urban Development. To move these prescriptions forward, the small Policy Implementation staff of the Commission worked with congressional and OMB staff and the Intergovernmental Affairs Office of the Carter administration to craft legislation to improve grant-in-aid management practices and to provide guidance to federal departments and agencies via Presidential memoranda on steps they should take to bolster management efficiency and effectiveness in their dealings with states and localities.

Perhaps equally important, ACIR was perceived as an “honest information broker,” collecting and disseminating data about the growing numbers of federal grants-in-aid, regulations, and preemptions, as well as on topics of state and local interest like interlocal contracts. The Commission’s policy and information reports were widely used by faculty in research as well as in teaching, as colleges and universities expanded intergovernmental relations course offerings. Especially popular among the latter reports were the annual survey of citizen attitudes about government taxing and spending and its compendiums of revenue and expenditure data on *Significant Features of Fiscal Federalism*.

It is interesting that some of ACIR’s least influential and most ignored recommendations related to the intergovernmental management focus of the 1950s and work of its three predecessor bodies in sorting out responsibilities, restraining federal domestic interventions, and rationalizing grant program structure. Although politically infeasible, many of these recommendations were “bold strokes” to restore balance to the federal system and they stimulated discussion and debate among scholars, administrators, and elected officials (Rivlin 1992). In its 1967 fiscal balance report, for example, the Commission also called on Congress to streamline procedures for Presidents to submit grant consolidation plans, to set a general goal of reducing half of the 179 categorical grants existing at that time, and to merge functionally
related grants for vocational education and water and sewer line construction into two single authorizations (1967: 12-16). Two years later, the Commission recommended a “swap” of responsibilities, with the states assuming substantially all responsibility for financing education with the national government assuming full financial responsibility for public assistance, including General Assistance and Medicaid (1969: 13-18).

A third example was the 1981 series of reports on “The Federal Role in the Federal System,” in which the Commission expressed alarm that the federal system was “out of control” and that “the federal government has taken over policy leadership in virtually every functional field in which it offers aid … a condition of overload has arisen (1981: 112). It urged Congress and the President to: ‘reexamine federal, state, and local roles in and contributions to the principal functional areas of public policy, including assessments of the desirability of fully nationalizing some functions while reducing, eliminating or forestalling federal involvement in others…” Building on its late 1960s “sorting out” strategy, the Commission’s recommended federal role included moving “… more toward the assumption of full financial responsibility for those existing governmental programs which are aimed at meeting basic human needs for employment security, housing assistance, medical benefits, and basic nutrition.” Accompanying this nationally oriented sorting out would be a “decongestion” strategy aimed at reducing the number of federal programs through consolidation or elimination. Targets were programs that had a federal share that was 10% or less of total grant funds, did not embody essential national objectives, were too small to address the need they were established to serve, had high administrative costs, received most of their funding from state and local budgets or service fees, and could be shifted to the private sector (1981: 111).

There were valleys as well as peaks in the assessment of ACIR’s impact. While President Richard Nixon requested the Commission to monitor the implementation of General Revenue Sharing, President Ronald Reagan decided to rely on a separate advisory council to help guide his “swap-turnback” initiative during the early 1980s. Academic critics noted the absence of an underlying theory of federalism in the
Commission’s work, and heavy reliance on incremental rather than systemic solutions to intergovernmental problems. The growing stridency in the Commission’s recommendations on federal mandates, preemption, and grant conditions was also observed, which some called a “sky is falling” approach. As the ACIR’s work in these areas challenged more vested interests and political sacred cows, its practical utility as a source of nonpartisan, impartial, and balanced information and insights diminished. Still other critics pointed out that as an intergovernmental body the Commission was too dependent on congressional appropriations, and that the absence of significant state, local, and Big Seven funding commitments sent a clear message regarding ACIR’s value and relevance to their concerns (Lovell 1984, Gove and Fossett 1984, Reeves 1984).

The “Big Questions” about IGM

Since 1996 a number of the issues that gave rise to topics placed on ACIR’s agenda by its members and addressed by its small professional staff have persisted, such as: fiscal imbalance in the federal system; the unwieldy growth of grants; poor design of federal programs from efficiency, effectiveness, and equity considerations; the coercive nature of intergovernmental regulations and federal preemption; unfunded and under-funded federal mandates; tensions in state-local relationships; and obstacles to multi-state and sub-state regional collaboration (Conlan and Posner 2008). These trends in IGM raise significant questions affecting the health of the contemporary federal system, such as:

- What opportunities exist for consolidating related categorical programs in order to reduce overlap and promote efficiency and effectiveness?
- What incentives could be provided in federal grant and regulatory programs to promote greater sub-national collaboration?
- How could social equity be better reflected in aid formulas and administrative arrangements?
- What “strings” are appropriate to attach to federal funds, and how could they be enforced?
- Under what circumstances are unfunded federal mandates warranted or unwarranted?
• When should the national government preempt state and local authority?
• How can the flexibility, discretionary, and innovative aspects of block grants be balanced against the performance and transparency expectations of Congress and the executive branch?
• How can management of American Reinvestment and Recovery Act (ARRA) stimulus funds avoid the pitfalls associated with General Revenue Sharing and block grants?

The Institutional Development Quest

While important contributions have been made by the U.S. Government Accountability Office, think tanks like the Brookings Institution, Urban Institute, Pew Center on the States, the Center for Budget Priorities, and the Nelson A. Rockefeller Institute of Government, no organization like ACIR has emerged to address these and other questions by raising visibility, explaining significance in language practitioners and researchers comprehend, and providing nonpartisan options for policy-makers to consider. There is no on-going institutional memory or capacity to monitor potential intergovernmental management problem areas like ARRA, collect and interpret basic data such as on the numbers and types of grants-in-aid and preemption statutes, identify trends, convene intergovernmental partners to discuss issues, and make recommendations for reducing friction points and restoring balance. If such a capacity were created, it could be argued that the world of intergovernmental relations in 2020 would be better informed, and better managed, than is the case today. Conversely, it could also be argued that the time for an ACIR-type body has come and gone, as IGM has been moved to the political sidelines since its heyday in the 1970s and been displaced by the performance management movement (Conlan 2006: 666, Wright, Stenberg, and Cho 2010).

With the above framing points, the remainder of this paper will examine the case for restoring an ACIR-like organizational capability to the federal system in general and its likely impacts on IGM in particular. It will summarize steps taken since 1996 by the National Academy of Public Administration,
the Big Seven, and others; identify pros and cons of institutional development in intergovernmental relations; and assess capacity-building prospects.

Three national initiatives in recent years have tested the waters regarding the need and willingness to pay for an ACIR-like capacity. These were efforts by the National Academy of Public Administration, some of the Public Interest Groups, and a member of Congress.

**NAPA.** In 2004, the National Academy of Public Administration (NAPA) – a congressionally-chartered, nonpartisan, nonprofit body led by more than 600 Fellows with a mission to help public organizations improve their effectiveness – launched a Center for Intergovernmental Relations. The Board of Directors approved a $500,000 budget from its endowment to conduct “… a continuing program of research, studies, educational and other activities aimed at improving the trust, understanding and cooperation among the different levels of government” The Center’s director, Jim Frech, explained the rationale for the Academy’s initiative in an October 15, 2004 news release: “Surprisingly, we don’t know enough about an intergovernmental system that spends nearly $4 trillion annually for domestic purposes….No one has systematically looked at the intergovernmental program mix to identify areas of cooperation or missed opportunities. No one has developed public administration models that can institutionalize cooperative behavior. No one is measuring things to see if we are attaining the results we expect” (NAPA 2004). Joined by the Big Seven, in 2006 the Center launched two Forums for Intergovernmental Cooperation, focusing on revenue systems and on transportation finance, convening experts and state and local representatives to discuss the current state of financing and emerging issues, identify appropriate roles of various levels of governments, and indicate the relationships to other national policy goals. The Public Interest Groups agreed to make modest contributions (totaling $50,000) to financing the forums. Other Center initiatives were an educational program on the intergovernmental system for members of Congress and their staff, and a research agenda developed in consultation with NAPA Fellows and its Standing Panel on the Federal System. While the Center was not publicized as a successor to ACIR, its representational, convening, information-sharing, and educational and policy
research capacities were similar to the Commission’s statutory responsibilities. In fact, a May 2004 report by the “Intergovernmental Positioning Committee” noted it had found differing views of ACIR’s record (“some thought it had been very valuable, some thought it hardly mattered; some thought ACIR was too contentious”) and noted “…it as unhelpful to have its proposal associated with the ACIR, or for that matter, with the past in any form.”

The two Forums for Intergovernmental Cooperation were judged as successful in convening key stakeholders to consider important policy issues, but some Academy leaders were concerned that the recommendations that the forums adopted might be misconstrued as NAPA policy instead of positions of the Forum participants. They were unable to convince members of Congress who had an interest in federalism and intergovernmental relations or representatives of national foundations that this capacity should be sustained once the NAPA funding ran out, even though the initial annual budget for the Center was projected to be only $2 million. In 2007 the Center was closed.

**Big Seven.** A second initiative to restore an ACIR-like capacity was launched by three of the Big Seven groups, the National League of Cities (NLC), International City/County Management Association (ICMA), and National Association of Counties (NACO). It is interesting to note that the executive directors of each of these organizations are Fellows in the National Academy of Public Administration.

The earliest action was taken by NLC. Expressing concern about the “weakening and unraveling” of local-state-federal partnerships, NLC’s Board of Directors passed a resolution on July 2, 2004 “calling for governments at all levels to work together on behalf of the American people.” Specifically, it called “…for the strengthening and revitalizing of the intergovernmental partnership through the creation of a permanent venue for constructive discussion among local, state, and federal leaders about meeting the needs of the American people,” and further, this permanent venue would provide “…quality and timely information, data, and analysis about the health of the intergovernmental system to better inform this discussion.” The resolution was not directed to the Congress or President. While some Big Seven
members were supportive of NLC’s approach, as well as of NAPA’s Forum, other issues commanded higher priority on their lobbying agendas and internal budgets.

In November 2009, ICMA published a white paper on *Restoring the Intergovernmental Partnership: What Needs to Change* that was prepared for its Governmental Affairs and Policy Committee by Professors Michael Howell-Moroney and Donna Handley at the University of Alabama at Birmingham. The report recommended establishment of a new organization, called “The Intergovernmental Policy Council” or “Council on Local and State Policy and Priorities” to study pressing policy issues such as American Recovery and Reinvestment Act of 2009 implementation, healthcare reforms, No Child left Behind Act of 2001 revamping, natural disaster and emergency management preparations, and regional governance approaches to urban sprawl mitigation. The organization would have two tiers: a core council of 20-25 federal, state, and local officials appointed for staggered terms; and, in lieu of in-house professional staff, a number of ad hoc Policy Study Groups comprised of key stakeholders in areas under consideration by the Council. The national government would be expected to provide start-up funding for three years, and state and local governments would be expected to make contributions. This “flexible organizational structure” is intended to counter some of the problems that had led to the demise of ACIR, including partisanship, member turnover and disinterest, and irrelevance (Howell-Moroney and Handley 2009: 10). The authors concluded: “…reinstating the ACIR in its original design would not be appropriate” (Howell-Moroney and Handley 2009: 12).

**Congress.** The most recent initiative was taken by Virginia Congressman Gerald Connolly. H.R. 3332 was introduced on July 24, 2009 with support from the National Association of Counties. The bill provides for the establishment of a permanent, bipartisan National Commission on Intergovernmental Relations “…to facilitate the fullest cooperation and coordination between all levels of government.” The 30-member commission would be appointed similar to ACIR’s membership, with three federal executive branch members and three private citizens named by the President, and three members appointed by the President of the Senate and Speaker of the House of Representatives, respectively. Sixteen members
would be state and local elected officials nominated by their national organization. In a departure from the ACIR model, the remaining two members would be tribal officials appointed by the Secretary of the Interior from a panel submitted by the National Congress of American Indians. Each member would serve a two-year term, and could be reappointed. The Commission’s statutory purposes included: “(1) bring together representatives of Federal, State, and local governments for the consideration of common problems; (2) provide a forum for discussing the administration and coordination of Federal aid and other programs requiring intergovernmental cooperation; (3) give critical attention to the conditions, controls, and oversight involved in the administration of such Federal programs; and (4) encourage discussion and study during the early stages of emerging public challenges that are likely to require intergovernmental cooperation.” Among the specified duties of the Commission were conducting studies and investigations to carry out these purposes, considering mechanisms to foster better inter-level relationships, and making available technical assistance to the federal executive and legislative branches. Two other duties closely paralleled those of ACIR: “recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the levels of government…recommend methods of coordinating and simplifying tax laws and administrative policies and practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.” With respect to federal funding, no specific figure was authorized, but the Commission was authorized to receive grants, contracts, and contributions from state and local governments and nonprofit organizations. The bill was referred to the Committee on Oversight and Governmental Reform; no companion bill has been introduced in the Senate; hearings have not been scheduled; and there has been no indication of formal support from the Obama administration.

**Back to the Future 2020**

While there have been some promising developments in the past few years in the quest for a permanent, nonpartisan organization with capacity to convene the intergovernmental partners, conduct research, and
make recommendations for improving relationships, progress has been modest at best. Looking ahead to 2020, what are the prospects for ACIR-like institutional development?

There are some important facilitating factors, including:

- The introduction of H.R. 3332 as a point of departure for congressional consideration;
- Political support from the Big Seven state and local Public Interest Groups;
- Growing consensus across the political and philosophical spectrum about the unsustainability of the national government’s fiscal position, given the staggering debt and budget deficit obligations, creating a need for impartial analysis of implications and impacts of various remedial policy options;
- The persisting inability of the national government to reach consensus on strategies to constrain Medicaid and other entitlement programs and to rationalize the grant-in-aid system;
- The “policy window” created by the Obama administration’s commitment to transparency and accountability in the management of ARRA, and need to address reporting and accountability problems associated with subnational implementation;
- Promising IGM program and regulatory developments proposed by the Obama administration such as the “Race to the Top” education initiative, the interagency “Urban Renewal” partnerships, and the May 20, 2009 Presidential memorandum restricting department and agency heads when issuing regulations from declaring intentions to preempt state law;
- The effects of the national recession on state and local budgets, building pressure for these jurisdictions to find new ideas and opportunities for cross-boundary collaboration, cooperation, and consolidation in service delivery to meet steady or growing citizen needs with shrinking resources;
- The escalating state and local compliance costs associated with unfunded or partially funded federal mandates in education, homeland security, welfare, and other intergovernmental programs;
• The increasing recognition that the “New Normal” of budget constraint and cutback management will persist at the state and local levels for several years, generating interest in innovation and best practice-sharing;

• The relatively modest annual federal appropriations and state and local cost-sharing associated with starting and maintaining an intergovernmental organization; and

• Resurgence of and potential political support from some state ACIR-type bodies.

The above factors could rekindle the market for research and analysis of intergovernmental issues and recommendations and promote institutional development, but other powerful “drivers” could undercut them, such as:

• Preoccupation with policy advocacy and partisan positioning among elected officials, policy think tanks, and interest groups, leading to polarization on issues and weakening of interest in more bipartisan or nonpartisan perspectives;

• The unwillingness of Congress, the Big Seven, states, and national foundations to commit sufficient funds to launch and sustain an organizational capacity to address the problems in intergovernmental relationships and management;

• Political pressures to move money from Washington, DC to state and local problem areas, without much consideration of administrative implications or long-term impacts;

• Difficulties recruiting even a few champions for intergovernmental relations in the Congress and recognizing political rewards for doing so;

• The wavering and weakening of political and technical willpower to translate proposals for constraining the national government’s domestic role, sorting-out responsibilities, eliminating programs, and devolving authority to states and localities into congressional legislation and executive orders;

• The absence of an IGM unit in the White House and OMB;
• The intergovernmental spotlight remaining focused on national policy and funding rather than intergovernmental management, despite contemporary interest in performance measurement and transparency;

• The expectations of citizens, as well as local and state officials (even those opposed to “Big Government”), that the national government will continue to rescue states and localities by providing economic stimulus funds and grants-in-aid to support their services, and assumption that more fundamental systemic changes are not needed;

• The blurring of IGM resulting from emerging academic and practitioner interests in networks that span boundaries and sectors;

• The “graying” of intergovernmental relations experts who understand the value-added to the study and operations of the federal system by a body like ACIR.

Given the above factors, at the outset it could seem unlikely that by 2020 there will be a national focal point for improved intergovernmental relations. In view of the severity of the IGM issues to be addressed and the relatively low investment required to develop the research, analytical, and convening capabilities that are the core responsibilities of an ACIR-type body, this conclusion may seem surprising. But political realities – including pressures to service constituents and special interest groups in order to stay in office and to focus on practical problems involving people and places – coupled with the absence of champions of intergovernmental relations in the Congress and White House, could continue to trump scholarly or systemic needs.

Even with favorable political winds, the “devil is in the details” of operationalizing an ACIR-type organization. Regardless of the name chosen for this body, proponents will need to take into account the criticisms and concerns that led to the demise of ACIR. A point of departure could be the list of demands six of the Big Seven executive directors made of President Clinton as a condition for their continued support: (1) appointment of a chair with intergovernmental stature, knowledge, and experience; (2) appointment of Cabinet officers who are willing and able to actively participate in regular meetings; (3)
willingness of the President to meet occasionally with the members; (4) a research agenda focused on core fiscal and other intergovernmental issues; (5) practical application potential for policy recommendations; (6) clear and consistent communications with the Big Seven and inclusion of their chairs on meeting agendas (McDowell 1997: 123). To this list could be added appointment of a qualified professional staff with demonstrated capacity to conduct impartial, nonpartisan research, ability to furnish technical assistance, and willingness to reach out to stakeholders (such as those involved with ICMA’s suggested ad hoc Policy Councils) to identify trends, issues, and options associated with policy research.

Conclusion

In a recent Potomac Chronicle story in Governing, Peter Harkness reported on the “lost decade” facing states and localities due to the effects of the national economic crisis on jobs, tax collections, and expenditures. One consequence is the shifting power balance to Washington, where federal grant money is surpassing all other state and local revenue sources. Harkness noted that the severity of these impacts warranted consideration of structural changes like a sorting-out of responsibilities among the intergovernmental partners and enactment of an anti-recession fiscal assistance program that would be triggered by worsening economic conditions. As indicated earlier, both of these proposals were recommended by ACIR over four decades ago. He quoted the call by Marcia Howard, executive director of the Federal Funds Information for States Service, for a renewal of the “Big Swap” once envisioned by ACIR and proposed by the Reagan administration: Medicaid and children’s health care responsibility exchanged for education aid, transportation, housing and community development, and other human services, which would be fiscally about even. Howard’s assessment of prospects of such a trade could accurately summarize those for institutional development when intergovernmental management turns 50 around 2020: “…good policy is one thing and good politics is another. This may be one of those great ideas whose time will never come” (Harkness 2010: 15).
But should this be the case? Should the quest for intergovernmental institutional development be abandoned because of partisanship, polarization, and politics? It could be contended that these factors have always been part of the intergovernmental landscape, albeit perhaps not as prominent. It could also be asserted that while secondary to money, intergovernmental management in both “top-down” and “bottom-up” varieties has been a key feature of IGR.

If the past is prologue, the key ingredients in the formula that produced the ACIR in 1959 could be relevant 52 years later. The challenges for institutional development proponents will be three-fold: (1) to identify a few congressional champions (perhaps former governors, local elected officials, or ACIR members); (2) to convince relevant congressional committees to hold hearings probing the state of American federalism and need for a permanent intergovernmental presence; and (3) to do the “homework and spadework” with the Obama administration and Big Seven and reach out to enlist support from potential conservative and liberal backers.

The pendulum has now swung back to “top-down” approaches reminiscent of the 1970s, and a national intergovernmental organization with ACIR-type features could make important contributions to answering the “big questions” on the IGM agenda. As Timothy Conlan and Paul Posner noted: “…while the question of the federal role has been settled in favor of an expansive role for the national government, the framework for intergovernmental management remains unsettled and evolving” (Conlan and Posner 2008: 343). Over the 50-year span covered by this paper there have been examples of where good policy and good politics converge, such as: General Revenue Sharing; several block grants, especially welfare reform and community development; OMB management circulars A-95 and A-102; the Government Performance and Results Act; and ARRA. With leadership from the President and federalism proponents in Congress, and support from the Big Seven, the prospects for intergovernmental institutional development could be significantly enhanced.
Endnotes

1Council of State Governments, National Conference of State Legislatures, National Governors Association, International City/County Management Association, National Association of Counties, National League of Cities, U.S. Conference of Mayors

References


REFRAMING THE POLITICAL AND LEGAL RELATIONSHIP
BETWEEN LOCAL GOVERNMENTS AND REGIONAL INSTITUTIONS

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DRAFT: March 5, 2010
INTRODUCTION

Every student of American public administration is familiar with the 1868 dicta of Justice Dillon (1911) that local governments are “mere tenants at will of their respective state legislatures” and could be eliminated by the legislature with a “stroke of the pen.” For more than 140 years it has been settled law that the states establish the purpose and nature of local governments within their boundaries. As little more than “mere tenants at will” local governments are subject to the dictates and views of the various legislatures. Issues from zoning to regionalization are matters left to the states. Nothing could be more straight-forward.

Unfortunately, it is not that simple. Even Justice Dillon was more perceptive of the political realities than the stereotypical legacy of his decision would imply. After his famous dicta he goes on to say, “If one could ever imagine so great a wrong and so great a folly” (1911). Interesting words in that the courts on the one hand seeming gave carte blanche to the legislature was on the other making the normative assertion that they should not.

Dillon “rule” treded the thin line of the unresolved and necessary tension between the legal nature of our local governments and their political-cultural nature. This tension has created two diametrically opposed foundational principles upon which local government in the United States is organized. From a legal and administrative perspective one foundational principle asserts local governments cannot be sovereign; they are “creatures of the state.” They need to be, institutionally, subdivisions of the state as the sovereign. Someone or some institution has to be able to make the final decision; in this case the states. But from a political-cultural perspective, the other foundational principle asserts that local governments represent a citizen’s constitutional
right to freedom of association; local governments, no less than the states are “creatures of the citizen.” The “wrong” and “folly” occur when the state exercises its power to take those associational rights casually. Then as now, citizens often guard that right to associate with great vigor. The Jeffersonian ideal/myth of the yeoman farmer embodying all that is best in democracy is deeply rooted in American political psyche. The invocation of “home rule” was both a call for reform in the nineteenth century and an assertion of the superiority of small governments in the late twentieth century.

The halting pattern of political and institutional reform at the local level is a result of the tension between these two traditions. With few exceptions (the metropolitanization movement at the end of the nineteenth century and the boomlet of regionalization in the 1950s and 1960s) the political-cultural tradition has proved to be both powerful and resilient. Partly because of the twin financial crises of the first decade of the twenty-first century we seem to be at the cusp of another rethinking of intergovernmental relations (Cox, 2010). The extent to which such changes will succeed and the general direction of the change will be a product of how the two foundational principles are captured in any new policies that emerge.

In this paper we argue that both foundational principles are essential to the proper functioning of sub-national governance in the United States. They constitute a yin and a yang that collectively serve to allow both to coexist. Indeed, there are times when we want our local governments to be “creatures of the state” and other times when we expect them to behave as “creatures of the citizen.” Most efforts at reform of the governance of metropolitan regions fail because they have ignored this basic tension. These foundational principles need to be first acknowledged as
legitimate and important and then addressed in a set of policies that manage the tension and conflict between those two competing principles. It is not be possible to resolve the tension. In the end, it needs to stay unresolved; but unresolved does not mean unaddressed.

To address the unresolved tension between these two traditions we first explore how these two foundational principles have led to such divergent understandings of local governance in the United States. Based on observations from the European Union and our collective experience as government officials (as Commissioner on a local Metropolitan Planning Organization, as a city councilman and as a state official), we will offer new ways of thinking about organizing a metropolitan region that successfully manages this tension.

THEORIES OF LOCAL GOVERNMENT

It would be helpful for this discussion if there were a "theory of local government." However, as MacKenzie (1961) states, "There is no theory of local government. There is no normative general theory from which we can deduce what local government ought to be; there is no positive general theory on which we can derive testable hypotheses (1)." Benjamin (1980) asserts, "The absence of theory must be identified as the major problem in the study of local government. Without theory, contradictory conclusions and policy recommendations may be reached, sometimes from the same data (73-74)." Walker (1986) comments that "perhaps the greatest weakness of local government today is the absence of a theory that describes and interrelates the operational, political, and jurisdictional roles of local governments (86)."
There are any number of explanations for this absence of theory. Most of the earliest colonies were little more than villages or a cluster of villages (Plymouth, Providence, Massachusetts Bay, New Amsterdam). From the standpoint of governance the distinguishing feature of the early American colonies (especially northern colonies) was the freedom to create new local governance models and to develop a theory of governance to justify and support these new forms. Even as the colonies spread west the tension between the necessity and expectation of independence of governance and the development of supra-structures of governance that were more “distant” is striking. Local governments developed and flourished absent input from any except those who are local (see, for example, Zuckerman, 1970). The colony-level political structure had limited affect on local practices thus allowing for the independent development of both growing towns and growing colonies.

Syed (1966) observed such a development lead to, on one hand, a popular image of local governments culturally traceable to Jeffersonian values of a "good" republic built from the bottom up and, on the other hand, a more centrist official image embodied in legal doctrine. This contradiction is apparent in Jefferson's own words in a letter to John Adams (Cappon, 1971):

".... proposed to divide every county in two wards of 5 or 6 square miles, ... to establish in each ward a free school for reading, writing, and common arithmetic.... my proposition had for a further object to impart to these wards those portions of self-government for which they are best qualified, by confiding to them the care of their poor, their roads, police, elections, the nomination of jurors, administration of justice in small cases, elementary exercise of militia, in short, to have made them little republics, with a warden at the head of each, for all those concerns which, being under their eye, they would better manage than the larger republics..... (page???, emphasis added)."
Thus the great advocate of local government is also the advocate of an overall structure and framework that is logically prior to governance. We can but speculate on how John Adams responded, because it is Adams who served both in local government and then in the colonial legislature. As the “representative” of Braintree he found himself subject to letters of instruction from the town meeting of Braintree, which were essentially orders on how to vote. This unwelcome experience may well have contributed to Adams’s decidedly Burkean perspective on the theory of representation.

Frug (1980) maintains that the American political system plays one image against the other based on changing values and fears. Mansbridge (1980) considers the former image as face-to-face or unitary democracy and the latter as pluralistic or adversarial democracy. Schambra (1982) sees the two images of governance in a dialectic and historical contradiction extending back to the positions of the Federalists and anti-Federalists in the late 18th century (see also Jillson, 1988). The Massachusetts constitution (of which Adams is the primary author) affirmed the inherent conflict between local and state interests by giving local governments a strong influence over the composition of the State House of Representatives yet it also left to the legislature considerable and broad latitude over the structure and form of local and county governments. Thus even the permissible forms of government (seven) are defined in statute, not in local charters.

The tension implied above is also observable as a tension between structure and process. While the structures of government influence the administration of government, the core processes are shaped by political theory. The modern concept of democratic governance is associated with a
set of principles of political philosophy focusing on relationships between the individual and the government. Max Weber in his political writing (1946) defines a democracy as providing formal rights of equal opportunities. Popularly, democracy is linked to the idea of participation and the right to vote. But, there is also an organizational aspect to democracy. As Sheldon Wolin has commented:

It [democracy] is a way of constituting power. Democracy is committed to the claim that experience with, and access to, power is essential to the development of the capacities of ordinary persons because power is crucial to human dignity and realization. Power is not merely something to be "shared", but something to be used collaboratively in order to initiate, to invent, to bring about (Wolin, 1987, p. 470).

Public sector decision-making concerns the organizational activities of "initiating, inventing, and bringing about." Or, to put it more simply--deciding how the precepts or underlying assumptions of democracy relate to understanding public decision-making. Critical for this analysis is to define the process values of democracy that make "initiating, inventing and bringing about" possible. Three points are critical:

- First, practice is shaped by, and in turn validates, structure.

- Second, values are related to the structure. While there is no simple one-to-one relationship between the structures and the values, there must exist a structural element that supports or promotes all values.

- Thirdly, the structural elements overlap and reinforce one another.

The structural elements combine to form the internal logic of democracy. Democracy is identified as the interaction between the structures and values, which form the basis of the processes in operation in a democratic form of government. Democracy is more than the sum of
the processes that it invokes. By developing the archetypal structures we have a methodology for contrasting that structure with the way decisions are made in modern governments.

The "values" of democracy are equality, equity and public interest. Each of these values, and the concerns which they reflect, relate to another value -- the interdependence of people and of institutions. A democratic structure reflects the values both as abstract goals (such as equity and equality) and, as everyday practical realities (participation to determine the public interest). The values, as goals, are not met fully. Rather the structures and processes become approximations of what can be achieved. The structure provides the context for the processes, which are judged by the standards of the abstract goals. Understanding the relationship of the structures to both the goals and the processes permits an analysis of what manner of democracy has been, or can be, achieved.

Implicit in the idea of democracy in government is that some level of individuality exists in a society or organization. People will see problems and, therefore, the solution to those problems differently. The fact of individual differences is more critical than the reasons for those differences. The key is to create a structure that preserves the opportunity to be heard (make others aware that you disagree). Further, the concept of being heard is one which begins at the point of defining problems, not with the subsequent process of shaping solutions.

The lesson of this structure is that three elements are critical: 1) a meaningful process of public discussion (including tolerance and a disposition to be persuaded, as well as to persuade); 2) a reliance on consensus building in decision-making; and 3) a recognition of the importance of
community (Cox, 1986-87; 1988). Democracy emerges from a sense of the collective responsibility for the creation of mutually acceptable goals and mutually identified problems. The government that was intended was one that was organized to give the people the fullest opportunity to participate, directly or indirectly. We may disagree with the balance between direct and indirect participation chosen at the time, but the fundamental reason for desiring participation has not altered. Participation is not a mathematical process but a subjective, qualitative relationship between individuals and society. The institutions of government were built upon the use of consensus. The goal was to define what was best for society, not for any individual or group. The "best for society" did not emerge from a simple vote; rather it emerged from a three step process of open discussion, agreement on the scope of action, and then agreement on a temporary course of action. The focus was on collective social action, not on the implementation of the top choice among rationally analyzed alternatives.

A government structured to make decisions through consensus was a government that prized diversity of ideas and opinions. The central purpose of any participative process is to permit the many views that may exist on a policy issue to be heard and considered. The eighteenth century advocacy of "harmony" (Zuckerman, 1970) embraced the clash of interests, because they believed that harmony emerged from the successful completion of seemingly frantic and chaotic public discourse. Harmony results from knowing and understanding the views of others, not from suppressing them. Without toleration of contrary views, the introduction of additional views would appear to detract from, rather than contribute to, good decisions. Disagreement was expected, but so also was a disposition to accept the possibility of being persuaded by opposing views.
The responsibility or duty to participate is central to democracy, and particularly in the modern representative democracy (Cooper, 1991, Thompson, 1987). While democracy does not require full or complete knowledge to participate, it does require that persons, as citizens or representatives, offer their views. Complete knowledge is neither expected nor required. Participation permits the accumulation of the incomplete knowledge of all participants to yield a common view. Such knowledge is not merely cumulative; it is synergistic (Hummel, 1986).

Denial of participation is a threat to the entire democratic decision-making scheme. It is for this reason that participation is not merely a "right" to be exercised at will, but rather a duty that undergirds the entire mechanism.

Knowledge in consensus structures flows both from the bottom up and horizontally, from one person to all others. Consensus structures emphasize debatability and the validity of the knowledge generated, not control. Consensus structures recognize that many heads are better than one, not simply because there are more sources of knowledge and more perspectives on reality, but because qualitatively superior problem definition may arise.

This is at the core of the tension as we see it today. We value independence above all else. Independence has become the end rather than a means. The opportunity to participate is an option we may or may not choose to exercise. As long as we can be materially successful in this “splendid isolation” we are content. We would rather not experience conflict. Thus the core of
democracy is to be abhorred. To be left alone is preferable. We seek communities of the like-minded so that conflict is unlikely.

Often by invoking the words of Thomas Jefferson, Americans have come to understand the processes and values of democracy (governance) as possible only in small governments. Yet in this choice we have disconnected the structures of democracy from the processes of democracy. We do not take advantage of the opportunity to participate. In the “community of the like-minded” we need not participate, confident that those who do participate nonetheless speak with the same voice. Diversity of viewpoints is the problem. Even the possibility of debate is to be avoided. We grow impatient with mandates for debate and discourse. We want “results” but not commitment. We love cities for their endless variety, but we do not want to live there. Democracy should be neat and tidy. We devalue government organizations. Government-led solutions are suspect. Our bias toward “partnerships” is in the impermanence of those partnerships.

For some two hundred (in some sense nearer four hundred) years, there has been no unifying theory of local government. The conflict has been resolved as we resolve all such matters—by politics. But it is not the politics of pluralism and discourse (Mansbridge), but the democracy of the market in which those who think alike cluster together. Just as the villages of towns found that the goal of harmony led to splintering communities into smaller and smaller units, we value homogeneous community in which “harmony” prevails and debate and discourse are unnecessary. We prefer small towns because we can contentedly avoid participation. These are self-governing communities, not in a democratic sense of self-governing, but in the sense of the
absence of government. This idyllic view of the small town dominates the American vision of proper government.

METROPOLITAN GOVERNMENT

Just as it has shaped our image of local government, the two notions derived from each foundational principle define how metropolitan regions ought to be governed. The first, the metropolitan region as an organic whole, sees a metropolitan region that happens to be constituted by local governments. The second, the metropolitan region as local public economies, sees a collection of local governments that happen to be in a metropolitan region. Interestingly, both of these perspectives have had major books published as the debate has evolved. Reflective of the former is a publication of the National Research Council (1999), while the latter is a series of readings edited by McGinnis (1999).

The Organic Metropolis

The quest for a centralized metropolis as an organic whole is like the tide - it comes and goes. Within the last century, there are three distinct periods in which the notion has had its greatest currency. With the first wave of decentralization from the city in the early 1900s came a corresponding movement within planning circles that recognized inherent problems with that movement away from the central city (Fogelson, 2001). The solution, to planners, was self-evident and is embodied in George Hooker's statement, "the enlarging of the city to match the real metropolitan community is the natural method of dealing advantageously with metropolitan city planning problems" (1917: 343).
A second wave of interest in metropolitan regions took place in the 1960s and 1970s. It was rooted in the post World War II scale of urban living that extended far beyond the existing metropolitan core and traveled deeply into the periphery; such that the notion of an “urban field” was replacing the traditional concept of city and metropolis (Friedman and Miller, 1965). As suggested by Keating (1995), this interest in the metropolitan area corresponded with the rapidly expanding role of government and the establishment of America’s version of the modern welfare state. As a result, this interest bundled together political theories of metropolitan organization and an activist social welfare role of the state into a single theory. To advocate one was to advocate the other.

The third wave of interest has occurred in the middle of the 1990s. It has surfaced primarily as a reaction to the globalization of the world economy, to the perceived decay of center cities and the inner ring of suburbs surrounding those cities, and to the growing disparities in economic wealth between jurisdictions in those metropolitan areas (National Research Council, 1999). This "iron law of urban decay" occurs, it is argued, as an artifact of our systems design (fragmentation) and not as the natural order of events (Luria and Rogers, 1999). More recently, the non-sustainability of rapidly sprawling regions has buttressed this argument (Brookings).

Much of the regionalist movement of the latter part of the 20th century and early part of the 21st is built on the notion that there exists an emerging world economy in which new organizations of different scale are needed. It is built on the assumption that a great paradox is shaping the organization of society on a global basis. This great paradox is captured in Benjamin Barber's
statement, "The planet is falling precipitously apart and coming reluctantly together at the very same moment" (Barber, 1995). On one hand, there is a deconcentration of society occurring that can be referred to as the return to tribes. On the other hand, the new economic order is forcing a new globalism as it is creating a “planet of metropolitan regions.”

Why metropolitan regions? The answer is, of course, complicated, but the imperative is to drive economic competitiveness and in the process, maintain community by addressing efficient service delivery and social equity (Benjamin and Nahthan, 2003; Brookings, xxxx). The economic imperative is derived from assumptions about the emerging global economy. Michael Porter (1998: 78) has coined the term "clusters" to describe how businesses will prosper in the future. Unlike prior economic periods where businesses simply move to areas of low production cost, businesses must now seek out areas where there exists a critical mass of businesses in a particular field that enjoy competitive success through the geographic concentration of interconnected companies and institutions. Clusters like Silicon Valley and Hollywood are examples of clusters (see also, Florida, 2002; 2005; 2007). They are supported by "local things" that further support the existing cluster, the monopoly which that cluster has in the world economy, and the ability of that cluster to expand and support the local economy.

Henton (1997) has identified four features of clusters, or "regional habitats," that make them valuable to businesses. The first is easy access to specialized workforces. Obviously, given high concentrations of jobs in a particular field, it is easier for businesses to obtain the workforce necessary to undertake its functions. Second, clustering enhances the research and commercialization capacity for those businesses in the cluster. Third, clustering creates
important innovation networks that allow the local businesses to retain a competitive advantage
over the competition. Finally, clustering creates "a unique business infrastructure" that supports
the companies in ways that create a working relationship between the institutions within a region
and the agglomeration of businesses in that region (see also Langley piece).

Several of the essential ingredients of a successful cluster require the political institutions of the
region to work together in ways that enhance the competitive position of the cluster. For
instance, Porter (1998: 80) identifies the need for a high-quality transportation infrastructure,
well-educated employees, and a tax and regulatory environment that addresses the specific needs
of that cluster. Florida (2002, 2005, 2007) suggests a more diversified and environmentally self-
conscious approach to make a region attractive to innovative and creative individuals. Hence,
the need for regionalism in support of that cluster is established.

Economic clusters generally do not follow geo-political boundaries. Further, existing geo-
political boundaries are either too large (states) or too small (cities, counties). Indeed, most
clusters are bigger than any single municipality but seldom constitute a whole state. Many
clusters overlap state boundaries like the pharmaceutical cluster of eastern Pennsylvania and
northern New Jersey, the hospital management cluster of Nashville and Louisville, and the
financial services cluster of the New York City metropolitan area (Porter 1998: 82). Logically,
a new geo-political structure is necessary to match the cluster structure of the global economy.
That match is the metropolitan region.
The organic whole argument has been supported by research that has attempted to establish an interdependent link between the central city and the surrounding suburbs (Downs, 1994; Lebedur and Barnes, 1992, 1993; Savitch et al 1993, National Research Council, 1999). The essence of the argument is that the success of a metropolitan region is based on the improving economic health of both the center city and the suburbs. The stronger the economic growth of the center city, the stronger is the economic growth of the suburbs. Conversely, an economically distressed center city adversely impacts the economic growth of the suburbs. The image that is portrayed is one of a heart pumping oxygen to the body. The center city serves as the place to which people migrate from outside the region. As center city residents become more affluent, they move to the suburbs. Successful suburbs are therefore dependent on new immigrants to the metropolitan region as their future residents. Adams et al (1996) demonstrates that the out-migration from economically weaker center cities tends to be into suburban areas in other metropolitan regions. Conversely, out-migration from economically stronger central cities tends to be into the suburbs of that metropolitan region. This perspective is not without skeptics and a critical assessment of its claims raises important analytical concerns (Swanstrom, 2001).

The economic reasoning behind the metropolitan region as an organic whole has a social equity counterpart. Rusk (1993, 1999 – update editions?) asserts that poverty and its resulting social dysfunctions are made worse by its concentration and that the elimination of poverty is a necessary end of any society. Poverty begets poverty. Mix poor children in middle-class neighborhoods and there is a good chance they will grow up middle-class. Put poor children in poor neighborhoods and there is a good chance they will grow up poor. Unfortunately, as Rusk argues, decentralized local government structures and suburban growth patterns foster
concentrations of poverty, particularly in center cities. Those governments with the highest concentrations of poor are becoming increasingly unable to cope with the costs of that concentrated poverty. Deconcentrating poverty, according to Rusk, is a regional responsibility that requires regional institutions, particularly in the areas of land use planning, fair-share housing plans, and revenue-sharing programs.

Generally, the preferred organizational design of the metropolitan region that follows from this model of the region is one where the integration of local governments is maximized. This can be accomplished either through reducing the actual numbers of governments or by increasing the mandated coordination of those governments by some higher level of government. The metropolitan region is a "well oiled machine" that has minimized its disparities and maximized its external competitiveness. It can be logically deduced from the first foundational principle that, as "creatures of the state", local governments can be reorganized to better serve the interests of the state.

The Economic Metropolis

The application of economics to the study of political institutions has emerged as an increasingly sophisticated analytical approach (Frey 1978; Buchanan, 1972; Mueller, 1978; Oakerson, 1999). As it relates to local government, Tiebout (1956) advanced the proposition that the more governments that exist in a metropolitan area, the more choices consumers have in selecting a community in which to reside that matches their preferences for the public goods they would like
to receive and for which they are willing to pay (as seems to be the case today, not pay). After all, local governments are “creatures of the citizen.”

As it relates to conceptualizing the nature of local government, three new ideas are derived from such a framework. A general belief, fundamental to a market economics, is the power of market forces, fueled by competitive processes, to be the optimal means to efficiency and effectiveness. Applying that notion to a local government is both new and controversial. Local governments became less like body politics and more like stores in a shopping mall selling a particular bundle of public goods and services at a particular price. Ideally, as a business, each local government would select and price a bundle of services that sufficient number of voter-consumers would be interested in receiving such that they would elect to reside within the boundaries of that local government (Ostrom, Tiebout, and Warren, 1961).

Second, is the idea that local governments are in competition with other local governments for voter-consumers. As such, they must make their bundle of services and the price they charge for those services attractive. If there were a number of local governments in an area, the ones with the lower cost per unit of desired services delivered would be more successful than others. Such competition would force those non-effective local governments to either replace their bundle of services or reduce what they charge for that bundle (Schneider, 1989; Petersen, 1981).

Third, is the idea that one can separate the question of the provision of services from the production of the services. While it may be a government's responsibility to provide a particular service, there are a wide array of means by which that service can be produced. Contracting with
a another public, nonprofit, or private entity; entering into an intergovernmental partnership; or providing the service directly are simply different modes of delivery that can be assessed on the basis of their efficiency and effectiveness in serving the interests of the local government responsible for the provision of that service (Oakerson, 1999, 2004; Feiock, 2008).

From this perspective local governments (or homeowners associations, special districts and other forms of public service delivery institutions) become a form of public household representing a group of citizens who share a common sense of purpose or want. In essence, each of these public households is a local public economy (Oakerson, 1999). These local public economies engage in collective action and behave in a way that mirrors how individuals act as they seek their self-interests. In this manner: true voter-consumer preferences can be revealed; fiscal equivalence in the sense that there is a strong relationship between who pays for and who receives a public good can be identified; and accountability can be maximized.

A metropolitan area becomes an arena in which these local public economies engage in rational, collective behavior. Metropolitan governance is the act of making the rules and setting the framework to allow these local public economies to engage in their rational action. Rational action means that the actors will create arrangements that are mutually beneficial and in the enlightened self interest of each of the local public economies. From these postulates, an abundance of research on how actors behave has emerged. It has been used to understand how different rules and frameworks by just how actors will negotiate (Feiock and Carr, 2001; Post, 2004; Steinacker, 2004; Leroux and Carr, 2005); how intergovernmental relations is a form of self promotion to local officials seeking more regional offices (Bickers, Post, and Stein 2006);
the role of reciprocity in fostering different arrangements (Lubell and Scholz, 2001); how norms and traditions of cooperation impact the willingness of actors to engage in cooperation (Olberding, 2001); and the role of trust in duty in citizens willingness to allow for collective action (Scholz and Lubell, 1998).

The idea of local public economies derived from the field of economics is not without a political science companion. American political theory at the time of the American Revolution and the founding of the country was based on a contract theory of the state (Frug, 1999; Wickwar, 1970; Syed, 1966). During the nation-state building process of the last thousand years, political theorists have struggled with conceptualizing how the state came into existence. To such theorists as John Locke (1632-1704) and Thomas Hobbes (1588-1679), before society, man lived in a "state of nature." Although Locke and Hobbes differ fundamentally in the reason why, they both theorized that man needed to leave the state of nature and form a society. In the process of forming this society, man entered into a contract with others. As such, the governing of this new society was sometimes by, but always for, the individuals who had agreed to the contract. The American founders were very familiar with contracts like the Magna Charta and the Mayflower Compact and reflected that perspective in the Declaration of Independence. Indeed, the first words of the American Constitution say, "We the people of the United States”.

Polycentricity, as an economic theory, and the contract notion of the state, as a political theory, have combined to offer a powerful set of working assumptions bolstered by the analytics of economics. Generally, the preferred organizational design of the metropolitan region that
follows from this model of the region is one where the structure of local government has been designed to maximize the individual’s preferences through the enhancing of competition among local governments. This can be accomplished by maintaining a significant number of local governments. It flows logically from the second foundational principle that, as "creatures of the citizen", local governments should be autonomous from the state to better serve the interests of the citizens.

**Reconciling the Two Foundational Principles**

Unfortunately, neither foundational principle alone can be used to organize our metropolitan regions. As the highly opinionated Manager of the New York Yankees proclaimed in a famous beer commercial, “I feel strongly both ways”, we want our local governments and metropolitan regions to be “less filling and “taste great” at the same time. Both need to be accommodated in defining the relationship between the local governments and regional institutions that are created. Those institutions cannot be simple extensions of constituent local governments (foundational principle 2). Conversely, they cannot be created in spite of local government (foundational principle 1). Rather, they must be explicitly designed for the purpose of creating institutions that are simultaneously local and regional (see Frug, 2008).

To be a simple extension of local governments means that local governments can do anything collectively that they can do individually. Because such actions are voluntary, it means the agenda will be restricted to only a few sets of activities that can generate unanimity of action. Further, they can and will act collectively only when it is in their individual private interests. In
his critique Frug (2002) argues that creating a functional division of power based on the idea that governmental functions can be divided between those that serve a parochial conception of self interest and those that serve the greater good is a formula for failure. Such a model merely enables localities to advance a privatized notion of self interest. Bollens’ (1997) study of special district formation in southern California concludes that representation on regional policy boards by local government officials does not create regional politicians and constituencies but allows local governments to operate in a regional forum to protect and enhance local interest even at the expense of regional goals. The notion of two-tiered government presumes that the tension between the local and regional can be solved through indifference. Rather than address the relationship between local and regional, the strategy is to divorce them and create separate domains.

Creating regional institutions that are divorced from local governments or are created in spite of local government institutions is an equally flawed approach. As the distance grows between the regional organization and the local governments within the region, the regional institution lacks the underlying credibility necessary to be effective.

One way to begin sorting through this dilemma is to think of our metropolitan regions as networks. Such a perspective accommodates both foundational principles and represents a way of thinking about how we govern as opposed to the study of governments (Agranoff, 1990; Agranoff and McGuire, 1999; Agranoff, 2001; McGuire, 2002).
For instance, H. George Frederickson in the John Gaus Lecture at the American Political Science Association (1999) noted the growing use of inter-departmental agreements across municipalities. Under this arrangement department heads, whether public works, parks and recreation, police or fire would develop formally or informally cooperative agreements with their counterparts in other communities within a region. This behavior was attributed to the need to create economies of scale to make certain services more affordable and/or to improve the overall quality of service delivery. While “mutual aid” agreements for public safety units have been in place for several decades, Frederickson noted two aspects of this practice that he defined as new or innovative; one was that the impetus for the arrangements came from within the departments, not from the political side of government, i.e. it was viewed as simply an extension of “good” service delivery and, two was that the arrangements were viewed by the city managers as economically vital for their individual communities. This “regionalization” of services was touted as a significant step, precisely because it came from within the professional community. It was argued that it avoided the political contentiousness that other regional proposals often engendered and it permitted those who could benefit from cooperation to do so without getting the permission of those who might be opposed to the arrangements (Thurmaier and Wood, 2002). In counter-point O’Toole and Meier (2004) expressed concern about the dark side of these management dominated arrangements, i.e. that the socially and politically powerful have an advantage.

These arrangements are of interest in part because they take for granted most of the foundational principles of the economic vision of the metropolitan area. It is self-interest as often as better services which drives this practice (Howell-Moroney, 2008). And even when the search for
better service is the goal it is done through a search for like-minded departments and
governments. It becomes a way to sell the “uniqueness” or “distinctiveness” of a community
even as it cooperates with others. It ducks the entire issue of governance and presumes that what
is being done is some kind of politically neutral professionally-driven administrative practice.

The tactics for expanded intergovernmental cooperation continue to straddle the line between the
visions of the metropolis. As has been true for much of our history the economic model
predominates. Concerns about that model abound, if for no other reason than its historic links to
polycentric models that challenge the need for metropolitanization of any type.

An interesting development has been occurring in Europe that might be used to help think
through how we design our governance systems in metropolitan regions in the United States.
The European Union (EU) has been called “an ongoing experiment in fashioning a new structure
of governance” (Sbragia, 1993) and “a current experiment with regional governance without
regional government” (Sbragia, 2004). Without knowing that the context for these statements
was the European Union, it would have been easy to presume the author was discussing
metropolitan regions in the United States.

Importantly, the EU stands as an example of how the two competing foundational principles can
be harmonized. Indeed, language difference, currency incompatibility, and centuries of wars and
occupations would suggest that the EU never should have been formed based on the ability of
governments in the United States to form such an equivalent organization. As such, we share
with Frug (2008) a caution that the EU model is neither easily or directly transportable to the US.
At the core of the transformation that is the EU is the transfer of partial sovereignty from the constituent governments to a regional authority. Such a power-sharing is a form of dual sovereignty, a political concept familiar to and embodied in United States political institutions. The regional authority (EU) can impose rules and regulations on the constituent governments when a super majority of those constituent governments decide it is in the best interest of the whole. As such, the EU is not simply an aggregation of each government wherein each government has the ability to veto actions unilaterally. Conversely, the associational rights connected with each nation allow each member to manage its own affairs.

Certainly, the transformation of the EU was made possible by the institution of qualified majority voting as a substitute for the veto power of any particular government. Qualified majority voting is an ambiguous term that is used in the EU context. We will abandon it in favor of a more descriptive explanation, a super majority. As practiced in the EU, each member receives a number of votes approximately equivalent to population, but weighted to give smaller members greater voice. In this manner, 345 votes are allocated with 29 each to Germany, France, United Kingdom, and Italy as the largest members. Malta, the smallest receives three votes. Generally, in order for a law to pass, it must be backed by a majority (or in some cases, a two thirds majority) of the members, receive 255 of the 345 votes, and be supported by 62% of the total EU population. It should also be noted that this form of voting is reserved to a specific number of policy areas. In practice, the policy areas that are covered by super majority voting are ever expanding as members grow more comfortable with it as a way to make decisions.
Further, there are a number of key policy areas that still require unanimity. Importantly, the list of covered areas is growing as the list of sensitive areas is shrinking.

LESSONS FOR METROPOLITAN AND REGIONAL GOVERNANCE

As an admittedly crude analogy, think of Metropolitan Planning Organizations (MPO’s) as potentially a proto-EU like institution. Many MPOs now have the responsibility for organizing the primary public infrastructure (transportation) that affects the daily lives of every citizen in a metropolitan area. It is usually constituted by the local governments of the region as its principle participants. It can easily be argued that economic development is significantly determined by the decisions made by MPOs throughout the United States. Transportation planning and allocation cannot be undertaken in a vacuum. Since 1991, MPOs have had to significantly expand their vision in order to effectively undertake this new responsibility. Some MPOs have even modified their voting rules to reflect better representation (Benjamin, Kincaid and McDowell, 1994), but none to the extent or sophistication of the European Union. We want to present a brief case study on one such MPO as we trace the evolution of it as a regional institution.

The Southwestern Pennsylvania Commission

The Southwestern Pennsylvania Commission, in its mission statement, reflects the changing nature of MPO’s. Acknowledging that is is “a forum for collaboration and planning” (traditional planning roles) it also states it is a place “of public decision-making (new governance role).” Later in the statement it states, “The Commission has the authority and responsibility to make decisions affecting the 10-county region. (www.spcregion.org)
The history of SPC can be traced to the 1962 creation of the Southwestern Pennsylvania Regional Planning Commission (SPRPC), an organization serving as a regional advisory committee for six counties--- Allegheny, Armstrong, Beaver, Butler, Washington, and Westmoreland. The Southwestern Pennsylvania Regional Development Council (SPRDC) in 1992 formed a nine-county SWPA Local Development District, to provide services such as financial, technical and information assistance to smaller organizations and municipalities. In 1998, SPRPC and SPRDC were approved by the member counties to complete a merger. The merger of the two organizations became complete in 1999, and the new organization became SPC. Additionally, in 1999 Indiana and Greene Counties joined the transportation planning area officially by becoming full members of SPC. Fayette County followed in 2002.

Like the EU, SPC has expanded beyond its original borders and added new members. There are 11 members in the organization - 10 county governments and the city of Pittsburgh. Each member appoints five commissioners creating a board of 55 commissioners that is supplemented by a number of state and federal officials. What is particularly interesting is the connection between the commission and the constituent governments. Pennsylvania is typical of states with the county commissioner form of government. In that form, (usually) three elected commissioners serve as the legislative and executive branches of government. All counties except Allegheny have that form of government. Of the 27 county commissioners in those nine counties, 26 are SPC commissioners and those 26 represent nearly 50% of the voting representation on the commission. For Allegheny County, which operates with a county executive/County Council form of government, the county executive not only leads the
delegation but also serves as president of the commission. The delegation from the city of Pittsburgh is led by the mayor and includes a representative of City Council. Indeed, the commission follows the foundational principle that connects regional decision-making to local decision-making. Frug (2002) refers to this metropolitan decision-making as inter-local.

Two important changes are underway. Over the years the dialogue and discussion among these elected officials shift from purely parochial protection of individual government self-interest to a more enlightened discussion about the needs of the region. That has not yet resulted necessarily in a transformation of the commission into a body that can impose its will on constituent governments (foundational principle 1), but the potential exists. A recent development dramatizes this transformation. Historically, the State Department of Transportation (PENNDOT) has had the power to make sure the Transportation Improvement Plan (TIP) reflected its priorities; indeed, it has never been clear whether the final TIP was a State or a local document. That said; it is the document that identifies the short and long term transportation projects of the region and is the responsibility of SPC to produce. After long and often arduous public engagement process to arrive at a TIP, PENNDOT has been able to make last minute changes to the document that has been docilely accepted by the Commission. During the most recent approval process, PENNDOT’s last minute changes were met with stiff opposition from the Commission as a whole. At the core of the resistance to these changes was a maturing belief that it was the Commission, acting as a regional institution that was responsible for reflecting the needs and priorities of its citizens. The message was very clear to the State - you are an important institution in helping to shape the TIP, but one that should be participating like any other institution.
The SPC has grown in stature within the civic and private sectors to the point it is viewed as one of the most important local government institutions in the region. As the City of Pittsburgh has gone from 25% of the region’s population to 12%, its influence within the region has also declined. The City of Pittsburgh is now the third largest local government in the region, behind Allegheny County and Westmoreland County. The largest local government, Allegheny County, exercises its cross-boundary relations through SPC as that institution is governed primarily by the region’s county governments. The result has been for the region’s other sectors to see access to the local governmental arena through SPC.

**The Role of the States**

The emergence of the states as an influence in public policy in the 1960s coincided with the second push for regional and metropolitan approaches to governance. This period is characterized by two developments; metropolitanization through city/county consolidation and mergers and by the proliferation (pushed by HUD) of regional planning agencies that palyed consultative roles in transporation, economic development and land use. Thus, for example, the State of Florida becomes the sponsor of several initiatives (see Environmental Land and Water Management Act of 1972 [Florida Statutes 380]; Florida Water Resources Act of 1972 [Florida Statute 373]; Florida State Comprehensive Planning Act of 1972 [Florida Statute 186]; Title XI Chaptrtr 163 Florida Code) which shifts considerable authority over planning, land use and development to county and regional entities. Also, city/county consolidation in Jacksonville and a lesser version in Dade County reflect a growing interest by the state in regional approaches to a variety of urban issues. A number of county governments in Florida have thrived by using these statutes as the basis for aggressive regional approaches to problem solving.

Recently, there have been several proposals before the legislature in the State of Ohio that made a condition for continued funding of the Local Government Fund and for School Districts that they engage in regional cooperative agreements. While such “incentives” are more “stick” than
carrot it comes from a growing concern that the many small governments and school districts are ineffective, both from a fiscal and managerial perspective (the State of Ohio has some 614 school districts (http://ilrc.ode.state.oh.us/PublicDW/asp/Main.aspx) across 88 counties with a number having fewer than 300 students). Cooperative arrangements are now and will be in the future demanded as a condition for funding project funds and even some formula funds. Consolidation is most common in large counties where cooperation between professionals at the city and county level yield unified service delivery. Regional planning agencies are slowly gaining a foot-hold, but primarily on topics that are funded from the top—such as transportation (much like Pennsylvania). Although there have been discussions about tax sharing and other efforts designed to promote more “efficient” economic development in Northeast Ohio, competition for new private sector jobs is still the norm.

These states represent the opposite ends of the spectrum—Florida increasing uses the counties as the basis for regional service deliver (for example, all public schools are organized at the county level) and has been a leader in cooperative efforts in land use and economic development, encouraging county regulatory schemes that makes coordination of programs realistic (and even necessary). Ohio still holds to a small is better approach which encourages multiple small governments and school districts. Florida has a long history of using state authority to create regional (county) solutions; Ohio has made recent and halting efforts to consolidate certain functions.

These two examples provide insight into the competing perspectives on government from the state perspective. As Florida urbanized in the 1960s and 1970s the push was to use the middle-range governments—the counties—as the basis for responding to the new challenges of land and water use and economic development that would dominate state initiatives after the 1950s. Ohio which urbanized in the first quarter of the twentieth century maintained its affinity for small governments, essentially leaving development to the lowest common denominator governments—the small villages and townships that ring the urban areas to this day. In one case we have a state government that fostered a shift toward consolidation through a umbrella legislation that left room for varied implementation. In this case both models of metropolitanization flourished. Rural counties could to a large extent disengage from the
mandates until such time as the pressure of urbanization forced them to reorganize, at which point the state regulatory scheme became the framework for local (city/county) action. In the case of Ohio we have a state that simply opted out. There has not been an incentive to consolidate or cooperate. The pressures to do so now come in the form of financial threats. This has become a contest which pits the local governments (and school districts) against the state. Despite being a predominately urban state for nearly a century, the political bias has been to encourage the growth of suburban governments which had little reason to cooperate. It should also be noted that county-level government reform has been slow to come to Ohio. There is only one home-rule county (Summit), with that change occurring some 30 years ago. Ohio counties still operate under the same structure as existed at the time of the founding of the state in 1803.

The lesson seemingly is that while many states now feel impelled to encourage regional and metropolitan approaches the political history in individual states may be the most powerful in the extent to which serious metropolitanization is possible. Competition is still rooted in the urban-suburban divisions that are at their core socio-economic. The urban areas of Florida are products of the last fifty years. The suburbs are even more recent; but more critically their existence is tied to the success of the cities and counties. Several areas in Florida have large counties whose core city is proportionately very small. The “central city” (Miami, Ft. Lauderdale, Palm Beach and Orlando for example) is relatively small having developed only a few years before the suburbs. The development of the urban and suburban areas are closely linked. In Ohio the center cities are often older. The suburban grow is the product of the decline of the center cities, rather than parallel to the growth of the center city. The politics of the suburb is anti-urban. The sense is that those small governments are successful in proportion to the decline of the center city. Cooperation and coordination is tying the suburbs to the dead horse that is the city. The primary vehicle for regionalization became the politically difficult and contentious tool of annexation. The political perception is that the suburbs are better off without the urban core. Only the continued economic distress of all governments over the the last two decades has lead some to recognize the symbiotic relationship between the urban and suburban areas. Regional cooperation must overcome decades of suspicion and distrust. Negotiations that do not begin from a mutual desire to find a solution to the conflict are doomed (Fisher and Ury, 1981). Overcoming the hurdle of distrust may be all but impossible even under ideal circumstances. In
states such as Ohio the suspicion that prevades the state-city and city-county relationships make finding common ground unlikely. Annexation is unacceptable. Forced choices through fiscal threats are the only option for the state.

A NEW ERA OF COOPERATION

We started this review by noting that the conflicting principles and perspectives on metropolitan governance need to be first acknowledged as legitimate and important and then addressed in a set of policies that manage the tension and conflict between those two competing principles. Yet saying that there is tension and conflict does not mean that both foundational principles are equally as supportive of metropolitan approaches to governance. In fact the economic/market models create barriers to cooperation that spell the death knell for many regional efforts. The lessons of the EU and the experience in Pittsburgh suggest that regional governance models that a break from the economic/market models of limited cooperation and bias for small governments is possible. In both the American and European experiences the inward-looking and “selfish” tendencies of governments are tempered and even overcome. In some cases the appeal is still to the “market” and market economics. On the other hand the importance of developing frequent informal and structured cooperative efforts among local governments at the department level must be recognized. Democratic principles and “sovereignty” is acknowledged through extra-majoritarian vote requirements. But more fundamentally, the very fact of organizing regional activities becomes the basis for regional action.

In 2001 Agranoff and McGuire suggested that there were seven “metaquestions” to be addressed concerning networks. While that list included issues that we have touched upon including collaboration, cohesion and accountability, we may be adding two more:
• The importance of the definition of “place” as it relates to community
• The perceived relevance of “geography.”

The boundaries of a network are a necessary element in the success of the network. Shared interests, shared problems and shared history are part of the definition of place. This in itself is enough to bring people “to the table,” but it is not sufficient to get them to agree to act (Fisher and Ury, 1981). The barrier is that the emphasis on markets seemingly provides justification to not act. The arrangement becomes a network whose purpose is to obfuscate and delay. The idea of geography similarly influences the ability to act. Many regional and metropolitan efforts are “top-down.” They are defined by geography, but oddly do not acknowledge geography. The region becomes the sum of who will meet (or are required to meet), not a sense of geographic imperative. In this sense the EU could slowly work its way toward regional governance because the concept of Europe as a distinct geographic entity already existed (the unease about how “European” Eastern-bloc nations, and more pointedly Turkey, are at the root of the controversy over their admission to the EU). If we base metropolitan regions on historically and socio-economic, but nonetheless artificial, criteria (federally defined MSA’s) then we get the geography wrong.

Unlike Frug (2002) who utilizes the EU voting system to empower a new regional legislature which is more like a foundation 1 principle, transforming an existing institution can be derived from either foundational principle. The existing regional institution is a collective of local public economies and to empower those representatives to make decisions that are binding on the whole regional economy is a balanced compromise between the two principles.
The important question is what inducements, incentives, or events might trigger a transformation in commissions like SPC or get Ohio to move off its adversarial stance? Clearly, the easiest policy route would be for state legislatures or federal legislation to mandate or incentivize the development of super majority voting rules. The easiest political route is a much more complicated question. Perhaps the best route is to frame the discussion around satisfying both of our foundational principles. It could be seen as a win-win scenario. Strong local government advocates can see that local governments are the building blocks of regional institutions while those advocating regional decision-making see the institutional capacity for needs of the region to have weight. In so doing, we are committing to the importance of both foundational principles, not to the victory of one or the other. The lesson in the divergent responses of Florida and Ohio are important. Florida moved rather quickly to regional solutions on a broad range of development issues. Development was seen as a regional issue because the key actors (the cities and the suburbs) shared a common agenda. In contrast in Ohio the cities and suburbs shared a perception of an adversarial relationship. The two states perceive similar problems, but in one shared concerns could become the basis of the development agenda, in the other protecting “turf” became the watchword. In one there was value in cooperation and coordination that was proven through continued economic growth. In the other coordination and cooperation was sporadic and generally the product of idiosyncratic relationships between center cities and counties.

If the changing nature of the discussions between commissioners on the SPC and SPC’s perceived value to the region is correct, local officials are looking for new ways to balance their local interests with what they know to be the interests of the region taken as a whole. What they lack are alternatives that can satisfy those needs to balance the local and regional. As one of us has often said to students, "if France and Germany can, so can (insert name of typical local
government in your metropolitan region) and (insert name of second typical local government in your metropolitan region).”
REFERENCES


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i A recent study found that 50% of all new communities in the US in the last twenty years were “gated communities which by definition demand conformance to codes of behavior and other qualifications to ensure that everyone is the same.

ii Before proceeding with this argument, a large disclaimer is in order. Analogies between the European Union and metropolitan regions in the United States can be taken only so far. For instance, the creation of a common market was an important outcome that could not easily be replicated in metropolitan regions in the United States. Further, the perceived necessity to minimize the military threat of a reconstituted Germany proved to be a powerful early incentive that has no corollary in the United States. Indeed, the EU has emerged as a political instrument only after the common market proved to be an extremely successful economic instrument. Trading a little bit of one’s sovereignty for prosperity may truly underlie the reason for the apparent success of this experiment in regional governance.
Administrative Strategies for a Networked World: Intergovernmental Relations in 2020

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Paper presented during the Intergovernmental Relations in 2020 Symposium, American Society of Public Administration annual Conference San Jose, CA

April 2010

1 Major sections of following paper has been excerpted from a forthcoming book: Governance Networks in Public Administration and Public Policy, published by Taylor and Francis in the fall of 2010 and written by the authors.
Abstract
This paper begins with the application of network metaphors and frameworks to intergovernmental relations, positing intergovernmental (IGR) networks are a form of “governance network.” The authors then conclude that a particular set of administrative skills and dispositions are needed to successfully management within these networks, including: oversight, resource provision, negotiation and bargaining, facilitation, civic engagement, brokering and boundary spanning, and systems thinking. These skills and strategies are then applied to the role of one IGR network administrator: the executive director of a metropolitan planning organization. The authors conclude that these skills need to be valued for performance and democratic implications, particularly given the dynamic range of vertical and horizontal ties that exist in most IGR networks, and that are likely to evolve as times goes on.
The increasing complexity and “wickedness” of public problems, the expansion of information technologies, the moves to devolve, contract out, privatize, and partner, coupled with globalization have fueled interest in the application of network frameworks to the study of public administration, public policy, and governance structures. These trends have contributed to the emergence of governance structures that have become, essentially, innovations in governing. There is growing evidence to suggest that these trends have and will continue to shape inter-jurisdictional landscapes, and represent new kinds of reform with regard to how governments interact with each other, as well as with for profit and not for profit organizations, to design and deliver public goods and services.

For the practicing public administrator serving within a government or quasi-governmental agency at the federal, state, regional or local level, the kind of administrative skills and knowledge needed to negotiate the networked terrain of inter-governmental relations are becoming apparent and will, by 2020, be major considerations in the design of training, professional development, and daily practice. This paper is based on two premises:

1.) That intergovernmental relations should be understood in terms of network theories and metaphors; and

2.) That the types of skills and dispositions needed by public administrators within or around IGR networks need to be articulated and subject to deeper explanation and refinement.

We begin with an examination of the first premise by discussing the application of network metaphors and frameworks to the traditional study of intergovernmental relations. We then draw a conclusion that by thinking of IGR in terms of intergovernmental networks a particular set of administrative skills and dispositions are needed, including oversight, resource provision, negotiation and bargaining, facilitation, civic engagement, brokering and boundary spanning, and systems thinking.

**IGR Networks**

We describe intergovernmental relations (IGR) as inter-organizational governance networks comprised of two or more “nodes” linked together through some concerted effort to exchange resources, pool resources, and/or coordinate actions. IGR networks are distinguished as a particular type of “governance network” comprised of two or more public sector organizations.

Traditional views of public administration and policy have hinged on the relatively simple framework of unitary government agencies implementing policy decisions in the most efficient and effective manner possible. It is now widely
acknowledged that this simple model does not account for the kind of hybridized governance networks that have arisen as a result of the persistence of wicked problems (Kickert et al., 1997; Frederickson, 1999; Milward & Provan, 2006). Wicked problems lack a definitive formulation, have no stopping rule, rarely have immediate and ultimate tests of a solution, and are often addressed through suboptimal implementation choices (Rittel & Webber, 1973). As the result of a synthesis of the literature pertaining to policy networks (Rhodes, 1997; Kickert et al., 1997), policy systems (Baumgartner & Jones, 1993; Sabateir & Jenkins-Smith, 1993), public management networks (Milward & Provan, 2006; Agranoff, 2007), policy implementation networks (O’Toole, 1990), and governance networks (Sorensen & Torfing, 2005; 2008), we conclude that inter-organizational networks may be characterized as:

- Facilitating the coordination of actions and/or exchange of resources between agents within the network;
- Drawing membership from some combination of public, private, and nonprofit sector agents;
- Carrying out one or more policy function;
- Existing across virtually all policy domains and, often times, existing to integrate policy domains;
- Comprising agents from inter-organizational level, although they are also described in the context of the individuals, groups and organizations that comprise them; and
- Resulting from the selection of particular policy tools (Koliba, Meek and Zia, 2010).

We define a governance network as a relatively stable pattern of coordinated action and resource exchanges involving policy actors crossing different social scales, drawn from the public, private or nonprofit sectors and across geographic levels; who interact through a variety of competitive, command and control, cooperative, and negotiated arrangements; for purposes anchored in one or more facets of the policy stream. Governance network analysis is informed by resource exchange theory (Rhodes, 1997), vertical and horizontal conceptualization of administrative authority (Agranoff and McGuire, 2003), complex systems dynamics (Haynes, 2003), social network theory (Wasserman & Faust, 1994), and an integrated accountability framework previously developed by members of the research team (Koliba, Mills and Zia, accepted for publication). Although studies of IGR, whether framed in terms of federalism, regionalism, or localism, have described how governments at various levels of geographic scale coordinate activities, these arrangements, have not yet been fully articulated as a series of relationships between “nodes” and “ties.”

Network structures are described in terms of “nodes” tied together through coordinated actions and resource exchanges, see Figure 1. below. (Wasserman and Faust, 1994; Rhodes, 1997). In social networks, nodes may be described as existing across several levels of social scale: from the micro level of interpersonal relationships, to the more macro level inter-organizational relationships. We describe governance networks as, first and foremost, described in terms of their inter-organizational nodes and ties between nodes. However, we also
understand governance networks in terms of their multi-scalable properties: as being comprised of individuals, groups of individuals, and organizations.

This basic framework for describing and analyzing social networks has been described by Samuel Leinhardt as a paradigm that, operationalizes the notion of social structure by representing it in terms of a system of social relations tying (sic) distinct social entities to one another. Within this framework the issue of structure in social relations becomes one of pattern or systematic organization. It also involves the corollary issues of the interdependence of the patterns formed by different relations, the implications that patterns have for the behavior of the individual entities, and the impact that the qualities of the entities have on the patterns (1977, p.xiii).

Governance networks are distinguished from other forms of social networks based on the characteristics of network actors and the kinds of functions and collective actions they take on. These functions are aligned with the pursuit of one or more policy streams, a point that we explore in great detail in chapter 6. The resources to be exchanged between nodes (regardless of their social scale) can take a material (as in the case of exchanges of electrical pulses between neurons or the transfer of financial support from one network actor to another) or social form (often construed in terms of knowledge, information, or social norms).

Donald Kettl observes that, “the Constitution—in its drafting, its structure, and its early function—was a remarkable balancing act of complex issues, political cross-pressures, and boundary-defined responses… For generations since, flexible, bend-without-breaking boundaries have been the foundation of American government” (2006, p.11). To this end, the network configuration of government conceived by the Framers of the Constitution allows for frequent “border crossings” between branches and levels of government as well as between agencies and units within a particular branch. Because governments are network structures in their own right, we must be careful not to assume that government interests are represented by one, unified actor.
**Intergovernmental relations**

We find networks implicated in the decisions leading to the formulation of the relationship between federal and state governments, a debate codified in the Federalist-Anti-Federalist exchanges of 1787. The central concern in these debates centered on the relationship between a national government and its states. The Anti-Federalists sought to codify the Articles of Confederation which imbued the states with greater autonomy vis a vis the federal government. The Federalists won this debate. The arguments of Alexander Hamilton regarding the need for a strong central government to ensure economic prosperity, coupled with James Madison’s concerns about human nature and the need for a strong central government of checks and balances, compelled the framers of the Constitution to devise a strong federal government. However, this federal governance structure still made room for the existence of substantive state power. The federal government was not to rule over the states with an iron fist. That the Civil War, which has been described as the “war between the states,” occurred brings this point home. Although the Civil War did not result in the dissolution of the United States, it provides us with an important reminder of what can happen when networks fracture to the point of breaking.

The Constitutional structure that was eventually enacted positioned the federal government as having vertical authority over state and local government in some policy arenas, shared authority in other areas, and no authority over state and local in still other areas. The Tenth Amendment reserve powers clause provides that, “[t]he powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” Cooper observes that,

Over time that provision has been read to mean that the power to regulate in matters of health, safety, and public welfare, commonly referred to as the police powers, are reserved to the states. Indeed, the Supreme Court has been increasingly willing in recent years to support that state authority and limit federal power. For this reason the federal government has had to rely on a system of intergovernmental grants and contracts to make important policies in these fields (2003, P.22).

The relationship between states and local governments is also implicated in this history, having been described as “the nation’s oldest intergovernmental relationship (Walker, 1995, p.267)” (Krane, Ebdon, and Bartle, 2004, p. 514). This history has been marked by the 1868 Supreme Court ruling in the *Clinton v. Cedar Rapids and Missouri River Railroad* case, eventually known as “Dillon’s rule.” This ruling essentially made local governments agents of state legislatures (Miller, 2002, p.30), requiring any changes to local government charters to be voted on by state legislative bodies. Although some states have moved away from relying on Dillon’s rule, 39 states currently rely on this structure to dictate state-local government relations (Richardson and Gough, 2003). The relative autonomy of local governments, vis a vis their state principals has a bearing on
the extent to which pushes for greater regionalization are possible (Richardson and Gough, 2003).

Inter-governmental networks have been described as possessing a combination of “vertical interdependence” and “extensive horizontal articulation” (Rhodes, 1997, p.38). Because intergovernmental relations are marked by combinations of hierarchical and collaborative arrangements, there has been little consensus around a singular model of intergovernmental relations for the United States. Deil Wright’s (2000) three models of intergovernmental relations represent the relationship between local, state, and national governments as taking one of three forms: coordinate, inclusive, and overlapping authority. Each model represents the possible types of relationships that exist between governmental institutions.

The first of these configurations is the “coordinate-authority model,” represented in the figure below. The coordinate-authority model implies that national, state, and local governments are independent and autonomous (Wright, 2000, p.75).

![Figure 2: Coordinate-Authority Model of Intergovernmental Relations](image1)

The second configuration of intergovernmental relations is the “inclusive-authority” model, represented in the figure below as a series of nested, essentially hierarchical relations between levels of government.

![Figure 3: Inclusive-Authority Model of Intergovernmental Relations](image2)
arrangement (Wright, 2000, p. 79). Under this view, states exist as "administrative districts" for federally established policies (Wright, 2000, p.82). The third model of intergovernmental relations suggests that the different levels of government exist as arenas of overlapping authority, a configuration that is represented in the figure below.

![Figure 4: Overlapping-Authority Model of Intergovernmental Relations](image)

Wright outlines the three critical characteristics of this particular model as:
1. Substantial areas of governmental operations involve national, state, and local government simultaneously;
2. The areas of autonomy between levels of government are comparatively small;
3. The power and influence available to any one jurisdiction is significantly limited (Wright, 2000, p.84).

Wright notes that overlapping authority is established through substantial negotiation and bargaining. Federalism requires that governments of different scale cooperate with one another. Writing of the existence of such "cooperative federalism," Jane Perry Clark (1938) first recognized that,

Much of the cooperation between federal and state governments has been found in the sea of governmental activity without any chart, compass, or guiding star, for cooperation has been unplanned and uncorrelated with other activities of government even in the same field. Nevertheless, a certain number of patterns may be traced in the confusion. Cooperation has frequently been a means of coordinating the use of federal and state resources, of eliminating duplications in activity, of cutting down expenses, of accomplishing work which could not otherwise be carried out, and in general of attempting to make the wheels of government in the federal system of the United States move more smoothly than would otherwise be possible (Agranoff and McGuire, 2003, p.37-38).

The articulation of power between levels of government is highly dependent on the context. Matters of Constitutional law, for instance, take precedence over laws established at the local level. In other areas, states are independent of federal authority, as in the case of determining marriage rights,
the setting of land use and zoning policies, etc. In still other cases, the federal government attempts to influence state and local polices with the powers of the purse.

Devolution is the transfer of governance responsibility for specified functions to sub-national levels, either publicly or privately owned, that are largely outside the direct control of the central government. Devolution is used to describe the shift toward administrative decentralization which transfers specific decision-making powers from one level of government to another (which could be from lower level to higher level of government), or government to non-profit and private sector interests and constituencies.

**Intragovernmental Relations**

The Framers of the Constitution were chiefly concerned about the concentration of power into the hands of a monarch, and wary of human’s capacity to act selfishly and concentrate power around them. “By 1787, not only had the theory of self-government been widely debated, but virtually every conceivable device for implementing it had been suggested, if not tried” (Ketcham, 1986, p.3). The Framers’ ultimate solution was to devise a network of three separate institutions of authority (what network theory refers to as nodes) that we now describe in terms of legislative, judicial, and executive branches. Each branch would have its own combinations of checks and balances in relation to the other branches.

These checks and balances may be explained in terms of one branch having authority over the others, as well as all branches sharing authorities with each other. Thus, the *separation of powers* flows through relational ties that may be vertically, horizontally or diagonally articulated (See Figure 1.1 below).

![Figure 5: The Separation of Powers](image)

In essence, the Founders understood one of the major contributions that separate, distinct, yet interdependent and networked institutions bring to the study and design of systems of governance: that relational power may be conveyed through both vertical (hierarchical) and horizontal (collaborative) ties. Because each branch of government has its share of checks and balances vis a vis the others, they are encouraged to find ways to build strong horizontal ties between them and, when substantive disagreements persist, weld vertical authority to keep the other branches in check. Network relationships are also
established between institutions within a single branch of government, creating the basis for “intra-governmental” relations. This is most easily demonstrated in the bi-cameral structure of the United States Congress and state legislatures. The move to a bicameral Congress was another case in which the Framers looked to network structures to balance power, in this case, between large and small states. The relationship between legislative houses are marked by combinations of horizontal and diagonal ties—marked by collaboration and cooperation as well as compromise and concession. Interagency networks may exist in the executive branch as well, as departments may collaborate or negotiate with one another around particular policy programs.

The role that intra-governmental relations plays in the design and execution of public policy and public service delivery has been described within the literature as “joined-up government.” The joined-up government literature is chiefly concerned with “coordination principally within a single tier of government” (Perri 6, 2004, p.105). The nature of intra-agency coordination and collaboration is a topic that still demands further study. As governance agencies are asked to align practices around topics that transcend jurisdictional boundaries, the challenges and opportunities associated with joined-up government gain in importance. We suggest that these intra-agency configurations be considered as variations of governance network form.

Individual public administrators are often challenged by the need to seek clarification regarding the rules and roles governing inter-governmental relations. We argue that the crossing of inter-governmental boundaries gets mediated through legal interpretations of the US Constitution and the legal and political precedence used to determine the distinction between national, state, regional and local levels of government. Governance network administrators, particularly those immersed within intergovernmental networks, need to understand these legal, administrative, and political dynamics.

Across the literature that has evolved to account for the increasing complexity of cross-jurisdictional ties a picture of “network administration” is emerging that can be described as the combination of network governance and public management under conditions of balancing autonomy and interdependency. A picture of the network administration emerges that is aimed at the, “coordinating strategies of actors with different goals and preferences with regard to a certain problem or policy measure within an existing network of inter-organizational relations” (Kickert, Klijn and Koopenjan, 1997, p.10). We argue that effective network management requires an understanding of all forms of administrative dynamics, including the kind of administrative skills most often tied to vertical arrangements: command and controls, as well as to a set of more horizontally oriented arrangements found in settings guided by negotiation and bargaining, and collaboration and cooperation.

We conclude, therefore, that managing governmental hierarchies is not synonymous with managing in IGR networks. In fact, “managing” IGR networks may not even be feasible, where “facilitating” IGR networks seems to be a more appropriate application. In this section we discuss the skills that are needed to effectively administrate inter-organizational governance networks, including IGR...
Administrative Strategies for a Networked World:

networks. We discuss each skill below and discuss their application to governance networks more generically. Given the nature of mixed actor relations in governance networks, we believe it is important to identify and evaluate the roles that public managers play as leaders of, and members in, governance networks.

Administrative Strategies Needed in IGR Networks

According to Kickert and Koopenjan, “Network management is an activity which takes place at the meta level: it involves steering efforts aimed at promoting these cooperative strategies within policy games in networks. Thus, network administration may also be seen as promoting the mutual adjustment of the behaviour of actors with diverse objectives and ambitions with regard to tackling problems within a given framework of interorganizational relationships” (Kickert and Koopenjan, 1997, p.44). A network administration paradigm blends a range of administrative roles and functions, leveraging the mechanisms of authority found in command and control environments, with administration through formal and informal agreements. Network administration must also account for the administration of horizontal ties built on the establishment of trust, reciprocity, and durability. Bressers and O’Toole suggest that network administration, “involves such important but potentially multilateral tasks as facilitating exchange, identifying potential options for multiactor agreement, and helping to craft patterns of communication as well as multilevel and multiactor governance arrangements” (Bressers and O’Toole, 2005, p.141).

As interest in network governance has proliferated, a series of best practices or axioms have been put forth by some of the leading researchers and theorists in the field. We highlight a few of these suggested best practices here to give the reader a sense of the range of practice guides found in the literature.

The research of Stephen Goldsmith and William D. Eggers (2004) has provided a strong basis for understanding the skills of public managers for initiating and developing mixed actor governance networks. These authors assert that working within a collaborative network model requires attitudes and behaviors beyond what is typically called for with a public manager accustomed to exercising hierarchical control. The central feature of network management is working in shared power relationships; an environment that requires flexibility and adaptability. Sharing power to achieve collective outcomes calls upon competencies to move networks toward performance outcomes, while still managing for high levels of performance against an agreed upon matrix (Goldsmith and Eggers, 2004).

The qualities of network managers are also reflected in the work of Robert Agranoff (2004), who examined managerial lessons evident in networks that have been established by network managers. These lessons are distinguishable from those represented in hierarchical structures. Among the 10 lessons identified among network managers (see Figure 6 below for a list of the 10 lessons) taking a share of the administrative burden; operate by agenda
orchestration; accommodate and adjust while maintaining purpose—public managers will need to rely upon interpersonal skills (lesson 8) that reflect working in a shared-powered arrangement.

1. Be representative of your agency and the network.
2. Take a share of the administrative burden.
3. Operate by agenda orchestration.
4. Recognize shared expertise-based authority.
5. Stay within the decision bounds of your network.
6. Accommodate and adjust while maintaining purpose
7. Be as creative as possible.
8. Be patient and use interpersonal skills.
9. Recruit constantly.

Source: (Agranoff, 2004)

**Figure 6: Ten Lessons on How to Manage in Networks**

As the result of studying 14 collaborative networks represented in further research, Agranoff provides additional observations regarding managing in networks. These observations include the recognition that managers still tend to do the bulk of their work within hierarchies. He recognizes that, “most collaborative decisions or agreements are the products of a particular type of mutual learning and adjustment.” These mutual learning adjustments lead to the proliferation of public sector knowledge management activities. He also observes that, “Despite the cooperative spirit and aura of accommodation in collaborative efforts, networks are not without conflicts and power issues” (Agranoff, 2006).

With these findings, it is evident that network management calls upon the public manager to operate in very different ways and in many different settings. A review of these lessons from collaborative networks reveals that the role of the public manager is even more complicated with the additional burden of having to manage and participate in administrative arrangements premised on a combination of vertical and horizontal ties. Not surprisingly, governance networks have been found to experience points of conflict. Conflicts are a critical, and some deem necessarily element of the kind of inter-organizational networks that we discuss in this book. Conflicts may come about as the result of real, substantive differences of opinion and perspective.

Rosemary O’Leary and Lisa Bingham studied the nature of conflict and conflict resolution in network settings. They concluded their study with the following observation about the complex nature of network conflict:

- Members bring both different and common missions
- Network organizations have different cultures
- Network organizations have different methods of operation
- Members have different stakeholder groups and different funders
- Members of different degrees of power
• There are often multiple issues
• There are multiple forums for decision-making
• Networks are both interorganizational and interpersonal
• There are a variety of governance structures available to networks
• Networks may encounter conflict with the public (2007, p. 10-11)

These characteristics of governance network will inevitably lead to conflicts. The nature of these kinds of conflict will resonate, quite loudly, as we consider governance network accountably and performance management systems in chapters nine and ten. The notion that “adding actors does more than complexity, it tilts the balance of power” (O’Toole and Meier, 2004) suggests that conflict in network contexts is all but inevitable. This makes advancing our capacities to describe and analyze the efficacy of accountability and performance standards all the more crucial.

The range of observations regarding what accounts for effective network management may be distilled into a smaller number of network management strategies. We believe that these strategies appear across the literature referenced here.

As a network administrator contemplates the range of strategies at his or her disposal she or he must consider that a strategy, “can be used both to influence goal-oriented processes (governance) and to create the conditions which facilitate the mutual formulation of targets (network management)” (Kickert and Koopenjan, 1997, p.120-121). These strategies are employed through the enactment of certain policy tools and the execution of certain network management skills. A variety of governance strategies have been recognized as being crucial to inter-organizational networks, including leading and following (Koontz, et al. 2004); boundary spanning (Kettl, 2006); orchestrating, modulating, and activating (Salamon, 2002). In addition to these roles, public managers can employ various governance strategies, including mandating, endorsing, facilitating, and partnering (Fox et al., 2002). Combined with the practices outlined above, a picture of some of the central network administration strategies emerges. Table 1 below summarizes each of these strategies. In the section that follows, the characteristics of each strategy are described.
Table 1: Network Administration Coordinating Strategies

<table>
<thead>
<tr>
<th>Governance Network Administration Coordinating Strategy</th>
<th>Strategy Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oversight; Mandating</td>
<td>Use of command and control authorities to gain compliance. Employed in most classical hierarchical arrangements and regulatory subsystems.</td>
</tr>
<tr>
<td>Providing Resources</td>
<td>Provision of one or more forms of capital resources as inputs into the network.</td>
</tr>
<tr>
<td>Negotiation and Bargaining</td>
<td>Engaging in processes of mutual adjustment and agreements ultimately leading to common acceptance of parameters for resource exchange and pooling and other forms of coordinated action.</td>
</tr>
<tr>
<td>Facilitation</td>
<td>Use of coordinating strategies to bring actors together, ensure the flow of information and joint actions between actors. Usually relies on incentives and inherent agreements on common norms and standards.</td>
</tr>
<tr>
<td>Participatory Governance / Civic Engagement</td>
<td>Use of administrative authority to ensure the participation of selected interests or citizens-at-large. Relies on models of deliberative and consensus seeking processes.</td>
</tr>
<tr>
<td>Brokering; Boundary Spanning</td>
<td>The development and use of social capital to bridge boundaries, establish new ties.</td>
</tr>
<tr>
<td>Systems Thinking</td>
<td>The development of situational awareness of the complex systems dynamics that is unfolding within governance networks.</td>
</tr>
</tbody>
</table>

Oversight and Mandating

Oversight is a standard managerial function found in any hierarchical or principal-agent relationship. The establishment of administrative oversight may be premised on the designation of a “lead organization” or an individual leader of a governance network. When the authority is based on the position of the leader or overseer, the capacities of the leader to lead, and followers to follow becomes critically important. Administrative oversight may be derived through the issuance of executive orders, spelled out in contract agreement language, or agreed upon through memorandum of understandings.

Mandating provides, “minimum standards for… performance within the legal framework,” (Fox et al. 2002, p.3). The role of government in a mandating relationship is that of a traditional command and control orientation that is defined through legislation and implemented through agency regulation (Fox et al. 2002, p.3). Tools associated with mandating roles include: social and economic regulation, and fines and sanctions. For the public administrator, implementing
mandates may be seen either in terms of the traditional command and control perspective or from an emergent perspective on mandates that explicitly provides regulated agents with more negotiating and bargaining power. This phenomena surfaces in IGR networks when governments at different levels of geographic scale negotiate the terms of their agreements in inter-governmental grants and contracts, and in determining the terms of regulations and compliance with standards. One supra-level government serves as the principal over sub-level government agents. Mandating sets parameters, but regulated interests may have room for “adjustment seeking” (Agranoff and McGuire, 2003, p. 75). The ability of public managers to grant “regulatory relief” is a critical component of managing across sectors (Agranoff and McGuire, 2003, p.75). Regulatory relief can be viewed by what Ayres and Braithwaite (1992) call “responsive regulation.”

Providing Resources

In order to account for an actor’s role as a provider of resources to a network we distinguish the provision of resources as a distinct network management strategy. From a network perspective, the provision of such resources serves as critical input and process factors. Such provisions may either require or lead to the establishment of a lead organization, as in the case when a funder enters into an agreement with those that it funds. The selection of which capital resources to provide, when to provide it, and on what conditions that they are provided falls into the realm of network management strategies adopted by network managers.

We suggest that the selection of certain forms of capital resources predicates the kind of specific strategies employed. Those public managers responsible for managing the flow of financial resources into and/or out of an IGR network will employ budgeting and accounting practices. Network managers may be stewards of physical or natural resources that are used by the governance network—bearing responsibility for the management of buildings, office equipment and other built infrastructure or certain forms of ecosystem services at the disposal of the network. Network managers will likely provide human capital to the network, bringing with them certain skills sets and knowledge that are used by the network at large. Network managers may bring their social capital to the network, providing boundary spanning and bridging functions. As Agranoff has noted (2006), public managers may take a role in managing the flow of knowledge and facilitate learning. They may also bring political capital into the network, exerting influencing or lending their legitimacy to network operations.

Lester Salamon refers to the provision strategy of network management as in terms of the “modulation” of rewards (2002, p.17). Providing resources such as subsidies or other kinds of policy incentives may be used to get private parties to make investments in network-wide activities. The provision of resources in terms of modulating network activity is a critical facet of network management practices.
Negotiating and Bargaining

In studying the role that bargaining plays in the practice of public administration, Agranoff and McGuire ask the question: “Is bargaining a useful tool for advancing mutual interests?” (Agranoff and McGuire, 2004, p.502). Clearly, “… people negotiate to advance their interests and those of the institutions they represent” (Watkins, 1999, 245). It would appear that the use of negotiation and bargaining strategies, in the very least, allows for individual actors to represent their own interests in processes premised on mutual adjustments between two or more parties. Negotiation and bargaining skills appear to be a critical strategy employed by network managers if only for the reason that these kinds of processes of mutual adjustment provide a space for alignment around common goals and expectations, as well as agreements around the parameters for resource exchanges and pooling.

Although negotiation and bargaining has been recognized as a critical skill set in contract management (Cooper, 2003), the integration of negotiation and bargaining strategies and processes into the public administration mainstream has been slow in developing. This is not to suggest that negotiation and bargaining skills and strategies have lacked attention in the wider literature. Texts on negotiation have proliferated within the business and international diplomacy fields, with Fisher, Ury and Patton’s “Getting to Yes” (1991), being the most popular text of this genre. Much of the literature on negotiation has presented negotiation processes in a linear or staged fashion, with negotiators “sitting at the table” to hammer out an agreement.

Michael Watkins has suggested that negotiations take on non-linear dynamics marked by:

- Sensitivity to early interactions: the beginning of negotiations set the tone for future interactions.
- Irreversibility: Sometimes negotiators “walk through doors that lock behind them.”
- Threshold effects: small incremental moves resulting in large changes in the situation.

Watkins' view of negotiation suggests that negotiation skills and strategies should be viewed more as a generative process. He outline ten “propositions” that skilled negotiators should consider. Watkins studies the negotiation process as a generative, phenomenological process. Yet, his view of negotiation processes still advances negotiation as a formalized process involving two parties. Network managers may negotiate in less formal settings. We must also account for the possibility that negotiation processes unfold without conscious recognition that a negotiation is taking place. We suggest here that network managers recognize when negotiation is needed and being undertaken, and attempt to exert their influence over the processes as needed.
Facilitation

As a facilitator, a network manager can "bring parties together" and create an "enabling environment", (Lepoutre et al., 2007, p. 10) in which common goals or standards, or common agreements around resource exchanges and pooling can be reached. In this role the public administrator can activate network partners in an effort to reach a policy goal or outcome. Lester Salamon recognizes network “activation” as a critical strategy undertaken by network managers. The activator is responsible for bringing together all available resources, such as money, expertise, and information into one integrated network (Agranoff and McGuire, 2003). Salamon also identifies “orchestration” as an important network management skill set, equating the concept with the conscious facilitation of network activities as a matter of sustaining its collective action.

Camilla Stivers has promoted the notion of facilitative leadership within public administration. According to her, facilitative managers emphasize the possibility of leadership as facilitation rather than the giving of orders, and authority as accountable expertise rather than as chain of command. Ultimately, working within such a perspective, we should be able to ground administrative legitimacy in accountability that not only is exercised in the privacy of the individual conscience or in the internal process of a particular agency, but also tangibly enacted in substantive collaboration with affected others, including members of the general public (Stivers, 2004, p.486).

We may consider that facilitation is not synonymous with traditional forms of leadership. “Although many leaders can (and should) be effective facilitators, the facilitator differs from a leader in that the former is cognizant about the use of power, authority, or control and places limitations on uses of it” (Reed and Koliba, 1996). The execution of effective facilitation skills is central for the development of mutual accountability structures within collaborative settings.

To be successful, public managers will need to rely upon what Kickert and Koppenjan refer to as reticulist skills or assessment skills to correctly determine involvement, interaction processes, and the distribution of information (Kickert and Koppenjan, 1997). Schaap describes facilitation strategies as providing the, “means for creating procedures for ongoing interaction, discussions, negotiations, and decision-making.” The effective facilitator helps, “[a]ctors… bind themselves to those procedures…” (Schaap, 2008, p.1126-127).

Civic engagement

Participatory governance or “civic engagement” includes a number of strategies within quasi-legislative and quasi-judicial administrative tools employed by public administrators to leverage greater citizen control and involvement. Bingham, Nabatchi and O’Leary (2005) identify the legal framework from which the public administrator can utilize participatory governance. Participatory governance includes a number of strategies within quasi-legislative and quasi-judicial administrative tools employed by public administrators to leverage greater citizen control and involvement.
Quasi-legislative processes... include deliberative democracy, e-democracy, public conversations, participatory budgeting, citizen juries, study circles, collaborative policy making, and other forms of deliberation and dialogue among groups of stakeholders or citizens.

Quasi-judicial processes include alternative dispute resolution such as mediation, facilitation, early neutral assessment, and arbitration [and include] ... minitrials, summary jury trials, fact finding..." (Bingham, Nabatchi and O'Leary, 2005, p.547, 552), Italics added.

The “quasi-legislative” and “quasi-judicial” processes are avenues for network managers to leverage citizen participation in collaborative policy making. Bingham, Nabatchi and O’Leary outline a wide range of examples at the international, federal, state and local levels the exemplify citizen inclusion strategies of public service governance. The authors conclude their work with a call for extended research with regard to process choices, quality, representation, policy cycle connection, impact, implementation, and institutionalization (p. 554-555).

As an added dimension to the legal framework of participating governance possibilities, Archon Fung (2006) has developed a framework to interpret various participatory strategies and their influence with respect to the democratic outcomes of legitimacy, justice and effectiveness of public action. The framework provides participatory designs based upon ranges of three governance dimensions: participant selection, communication & decision, and authority & power. In this effort, each design is examined in light of the ability to achieve democratic outcomes. Lukensmeyer and Torres (2006) provide a managerial guide to participatory governance alternatives that cover “tools” of participation (informational, consultation, engagement, and collaboration) as well as a framework for selecting engagement techniques that is reflective of a range of engagement parameters. In their review of eight models of deliberative democracy, the authors offer numerous examples of model applications.

Citizen-administration consensus-oriented deliberation (Yankelovich, 1991) continues to receive a great deal of attention that suggests a basis for optimism in neighborhood councils (Berry, Portney and Thomson, 1993), urban neighborhoods (Fung, 2006) and a number of other sectors, such as participatory budgeting (Weeks, 2000) and environment and land-use planning (Lukensmeyer and Torres, 2006).

The role of the public administrator will be framed within both “quasi-legislative” and “quasi-judicial” processes and will entail a wide range of participatory and deliberative options and include various “tools” to address public service design and delivery. Based upon evidence from a number of research efforts, it is clear that the skills of the administrator will focus on the ability to facilitate multiple stakeholder interests in complex settings and require the balancing of both network and hierarchical demands. Those areas in need of balance will be the basis for creating legitimacy. The key feature of this legitimacy will rest in the social construction of the service design and
implementation that finds a balance among public service design alternatives and participatory processes. Those writing about collaborative and participatory governance often view the public manager as playing a central role in achieving this balance.

**Boundary Spanning & Brokering**

A critical feature of network management is the capacity to take on boundary-spanning or brokering strategies. Network managers can serve as boundary spanners who, according to Agranoff and McGuire, may transcend boundaries that are both vertically and horizontally arranged (2003, p.16).

Discussing the role that mutual learning and communities of practice play in social networks, Etienne Wenger discusses the role that brokers play in managing networks. “Brokers are able to make new connections across [organizations] and communities of practice, enable coordination.” He goes on to add that, “if they are good brokers [their efforts lead to] opening new possibilities for meaning” (Wenger, 1998, p.109). Wenger describes brokering activity as an interplay of translation, coordination and alignment.

“Brokering provides a participative connection… because what brokers press into service to connect practices is [the broker’s] experience of multimembership and the possibilities for negotiation inherent in participation [within and across these groups]” (Wenger, 1998, p.109). Wenger describes brokering as a process of translating knowledge & information, opinions, and perspectives into reference frames that are comprehensible to network actors. Brokering also requires some measure of coordination, aspects of which may be found in our previous discussion of facilitation and participatory governance. As a result of generative translations and efforts at coordination, the broker may assist in the achieving of some alignment between network actors. Brokers need enough legitimacy to influence the development of a practice, mobilize attention, and address conflicting interests. It also requires the ability to link practices by facilitating transactions between them, and to cause learning by introducing into practice elements of another. Brokering strategy inevitably call for the mobilization of a network management, human, social and political capital.

Ronald Burt’s “structural hole” theory of social networks underscores the importance that boundary spanning and brokering can play within networked environs. Burt describes how most social network possess structural holes within it. Burt’s studies of structural holes in organizational settings have led him to conclude that the existence of structural holes may actually provide a better environment for the diffusion of innovation. Following Groventter’s strength of weak ties hypothesis, Burt asserts that “Networks rich in structural holes present opportunities for entrepreneurial behavior” (Burt, 1997, p.342). Network manager who serve as brokers can play a role in fostering greater innovation.

The manager who is capable of “filling in” a structural hole through linking two nodes that had not been previously linked, “has a say in whose interests are served by the bridge” (Burt, 1997, p.342). Brokering and boundary spanning may position a network manager to be highly influential. As Burt notes, “When
coordination is based on negotiated informal control, as in network organization, more successful managers will be the managers with better access to the information and control benefits of structural holes” (Burt, 1997, p.360).

Filling in structural holes across organizations possesses its own hazards to the broker. Wenger warns that, “Brokers must often avoid two opposite tendencies: being pulled in to become full members and being reflected as intruders. Indeed, their contributions lie precisely in being neither in nor out” (Wenger, 1998, p.110). Thus, network managers may face somewhat of an identity crisis, as they seek to span boundaries and possibly “serve two (or more) masters.”

**Systems Thinking**

A critical skill set and strategy that governance network managers should employ is centered on the concept of “systems thinking.” Popularized by Peter Senge and others who integrated systems theory into organizational development and managerial leadership, systems thinking encompasses a capacity to see and act upon an appreciation of the, “interrelatedness within and among systems.” Systems thinkers hold on to this capacity to see the interrelatedness between the parts of the system and the whole by maintaining a time span of interest long enough to see patterns of interaction and behavior to appear (van den Belt, 2004, p.22). Systems thinking has also be equated with situational awareness. Endsley observes that administrators with situational awareness seek to classify and understand the situation around them. They rely on “pattern-matching mechanisms to draw on long-term memory structures that allowed them to quickly understand a given situation” (Endsley, 1995, p.34). Situational awareness, “is the perception of the elements in the environment within a volume of time and space, the comprehension of their meaning, [and] the projection of their status in the near future,” and should explain dynamic goal selection, attention to appropriate critical cues, expectancies regarding future states of the situation, and the tie between situation awareness and typical actions (Endsley, 1995, p.34).

Systems thinking, when applied to the coordination of governance networks, leads to the identification of “bifurcation points” within the system that, when pushed, pulled or enacted, lead to changes in the system’s dynamics. The execution of systems thinking within the context of governance network administration involves the conscious manipulation, facilitation and coordination of the variety of forms of feedback that guide the system’s dynamics.

Ralph Stacey distinguishes between systems thinking and “complex responsive processes,” criticizing some of the first generation systems thinking as ignoring the emergent, adaptive characteristics of the system. Rather than pulling the levers and exploiting discernable leverage points to elicit responses, his view of what we might characterize as second generation system thinking focuses less on thinking in terms of what already exists to, “thinking in terms of patterns that are continually reproduced and potentially transformed” 2001, p.197). Stacey emphasizes the intersubjective creation of shared meaning that
only emerges through the interactions of social actors. This position echoes the calls for more phenomenological interpretations of administrative action made by Ralph Hummel (2002) need reference. Stacey, Hummel and others concerned about the reign of positivist interpretation of network administration and performance underscore the need to view systems thinking as an important contributor of the social construction of social reality.

We argue that a systems thinking approach to network administration needs to be viewed within the context of organizational learning (Senge et al. 1994). According to proponents of systems thinking as social learning views, “The key … is not analytical method, but organizational process; and the central methodological concern is not with isolation of variables or the control of bureaucratic deviations from centrally defined blueprints, but with effectively engaging the necessary participation of system members in contributing to the collective knowledge of the system…” Suggesting that social learning be integrated into administrative practices, David Korten goes on to observe that, “The more complex the problem and the greater the number of value perspectives brought to bear, the greater the need for localized solutions and for value innovations, both of which call for broadly based participation in decision processes” (Korten, 2001, p. 485). Thus we conclude that systems thinking and the kind of situational awareness arising from it, becomes an essential feature of all governance network administration. In other words, for any of the skills and strategies outlined here to succeed, administrators employing them must possess a view of the whole and envision ways that her or his actions can support the network’s capacity to learn.

**Example: The Executive Director of a Metropolitan Planning Organization**

To briefly illustrate how network management unfolds in IGR networks we will highlight the role of network management within the context of regional planning networks. The American Planning Association defines regional planning as, “planning for a geographic area that transcends the boundaries of individual governmental units but that share common social, economic, political, natural resource, and transportation characteristics”( American Planning Association, 2003, P.9). Interorganizational networks arise to carry out some of the following regional planning functions:

- Undertaking plans that are typically advisory in nature, providing information, technical assistance, and training;

- Coordinating efforts among member governments, especially efforts that involve federal funding;

- Providing a two-way conduit between member governments and the state and federal agencies;
• A forum to discuss complex and sometimes sensitive issues among member local governments and to try to find solutions to problems that affect more than one jurisdiction;

• Sometimes they have direct regulatory authority in that they not only prepare plans, but also administer land-use controls through subdivision review and zoning recommendations, review proposals for major developments whose impacts may cross jurisdictional borders, and review and certify local plans. (American Planning Association, 2003, P.9).

We define RPNs as *inter-organizational networks of organizations and institutions aligned to develop and implement regional plans that take into consideration the region’s transportation, land use, economic development needs, pollution and greenhouse gas production and/or related environmental planning concerns*. Regional planning networks emerge to govern and coordinate regional responses to pollution, greenhouse gas emission, traffic congestion, economic development, land use planning, and quality of life considerations.

**Figure 1: Typical transportation planning network**

Regional metropolitan planning organizations (MPOs) serve as the central actors within each of these cases, playing the role of lead organizations or
network administrative organizations for the regional congestion management network. The USDOT through 1991 ISTEA legislation mandated that regions with populations above 200,000 create or designate an MPO. Some regions already had regional government organizations (council of governments that were already focusing on urban development and land use) or a regional planning agency (that focused on rural/suburban development and land use). In total, there are 381 MPOs in the United States (Bureau of Transportation Statistics, 2009; GAO, 2009).

The metropolitan planning organization (MPO) has been characterized as a central “hub” or network administrative organizations of more broadly construed regional planning governance networks (Koliba, Campbell and Zia, 2009). MPOs have been the focus of several case studies (Vogel and Nezelkewicz, 2002; Innes and Gruber, 2005; Goetz et al. 2002; Nunn and Rosentraub 1997; GAO, 2009; Koliba, Campbell and Zia, 2009). Mandated by the US Department of Transportation these regional planning organizations are situated in a variety of administrative homes and carry out a wide range of planning and direct service functions that often times extend well beyond transportation planning into the realms of land use, economic development, and climate change.

In many ways, an MPO sits at the juxtaposition of a variety of intergovernmental arrangements, from working closely with representatives from the FHWA, state level DOTs, board members representing local governments, and city and town planning professionals. The MPO executive director works at the cross roads of many jurisdictional boundaries, and needs to apply a full range of network administration skills and strategies.

The table below provides an abbreviated overview of the range of strategies employed by the executive director of a metropolitan planning organization of one small region in northern New England. It provides the reader with one illustration of the kind of network administration skills that are needed to effectively management within a particular kind of IGR arrangement: the regional planning network.

### Table 2
**Network Administration Strategies Employed by an MPO Executive Director**

<table>
<thead>
<tr>
<th>Governance Network Administration Coordinating Strategy</th>
<th>Metropolitan Planning Organization Executive Director Strategy Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oversight; Mandating</td>
<td>She tries to ensure that her region complies with federal and state transportation regulations.</td>
</tr>
<tr>
<td>Providing Resources</td>
<td>She runs an organization responsible for allocating federal funds. She manages a staff that provides certain resources to the regional planning network (plan coordination, modeling, data management, etc.).</td>
</tr>
</tbody>
</table>
### Administrative Strategies for a Networked World:

#### Negotiation and Bargaining
- She routinely negotiates and bargains with federal level, state level, local level and other regional level representatives and groups.

#### Facilitation
- She facilitates dialogue between certain combinations of stakeholders: federal, state and local government officials and representatives.

#### Participatory Governance / Civic Engagement
- She consciously thinks about and plans for ways of involving a broader range of stakeholders to have input into regional plans. Orchestrates public hearings and forums. Collaborates with others to coordinate them.

#### Brokering; Boundary Spanning
- She connects people and agencies together through formal and informal means. She brokers agreements between levels of government and between governments across similar geographic levels (state to state agreements; local to local agreements).

#### Systems Thinking
- She needs to think about the range of stakeholders implicated in her work, understand the dynamics of her regional planning network (including the dynamics of regional planning commissions and governing boards, legislative committees, city and town councils, chambers of commerce), and anticipate future developments.

This one example provides an initial example of the kind of roles that network administrators operating within governments networks take on. The table above provides a very tertiary look into the roles of MPO executive directors. It was developed out of preliminary case study research being undertaken to develop computer simulation models of regional planning networks.

### Conclusion
In this paper we set out to define intergovernmental relations and intragovernmental relations as networks of governments of various geographic scale and function coordinate actions, share and pool resources, and serve the public interest. We concluded that these networks are administered through a combination of vertical and horizontal ties. An effective public administrator operating with this kind of mix authority IGR networks, like the MPO example mentioned above, will possess and situational awareness of the network ties around them and apply any number of administrative strategies to work effectively within them.

We recognize that our discussion of IGR networks and network administration strategies has been broad. We believe that this brief introduction to the range of administrative strategies provided here opens the door for us to consider the kind of skills, situations, and scenarios that IGR network administrators will face by 2020.
We have limited our discussion of governance networks to those networks built predominantly around intergovernmental and intragovernmental relations. The range of potential actors involved within governance networks more broadly, need to encompass the private and nonprofit sectors as well. The network administration strategies discussed in this paper are being employed in a whole host of other kinds of governance network configurations, including public-private partnerships, regulatory subsystems, interest group coalitions, and grant and contract agreements. The coordinated actions, resource exchange and resource pooling that occur within governance networks of all forms requires a range of strategies that include those discussed here, among undoubtedly many others. Thus, we are left to conclude that our understanding and appreciation of intergovernmental relations in 2010 will likely be informed by the growing emphasis on network administration.

References


Administrative Strategies for a Networked World:


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