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METROPOLITAN GOVERNANCE

Different Paths
in Constrasting Contexts:
Germany and Israel

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

1.1 Research questions and methods

(Hubert Heinelt, Eran Razin and Karsten Zimmermann)

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

1.1.1 Putting the debate into context

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

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

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

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

1.1.2 Outline of the research questions

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

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

1 For a summary of the debate on multi-level systems see Hooghe and Marks (2003).

2 See Keil and Boudreau 2005 for an application of this approach to metropolitan reforms in Canada and the USA.

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

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

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

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

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

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

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

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

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

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

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