

DIRECTLY DEMOCRATIC METROPOLITAN GOVERNMENT: Envisioning Beyond Oppression, Rebellion, and Reform

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As a teacher of community organizing at the UCLA School of Social Welfare in the 1970s, Professor Warren Haggstrom articulated an engaging view of Los Angeles as a polity. He once said, “Los Angeles can be understood best as an underdeveloped city—complex in the sense that large dinosaurs were complex—without being adequately guided by its own ideas.” That was several decades ago, but the comparison is still apt.

This failing of municipal governance can lead those riding “the tail of the dinosaur” to demand political independence by the secession of large districts from within urban cities and counties. Secession is particularly attractive to relatively affluent residents who see the possibility of using their political and economic wherewithal to avoid bearing the “costs of concentrated poverty.”¹ And despite the 2002 defeat of secession ballot measures in Los Angeles, such motives are not likely to be sidetracked permanently, because these initiatives are often resurrected for decades until they finally achieve their objectives.

There’s a long list of reasons why the City of Los Angeles and other major urban municipalities should not be the exclusive local governments for millions of citizens—the secessionists certainly have that right. But before we consider why secession is such a misguided idea, let’s consider how it gained so much momentum.

Demise of Local Government

While cities continue to grow larger and more ungovernable, the means of their governance remain virtually unchanged. Consider the City of Los Angeles: 15 members of the city council hold *all* of the public powers that are essential to govern more than three and a half million citizens. Notwithstanding the launching of advisory neighborhood councils, there hasn’t been any discernable change in who controls the public powers to enact ordi-

nances, police, regulate, tax, spend, contract, incur indebtedness, or exercise eminent domain.

During the last century, cities throughout the country generally, and Los Angeles in particular, grew into bureaucratic behemoths through relentless annexation of small towns within their “sphere of influence.” The San Fernando Valley was once home to a number of small town governments. The effect of their demise is “local government” that cannot meaningfully be described as either *local* or *government*, at least insofar as those terms imply accessibility and inclusive political participation. With huge constituencies, our so-called local officials have fled the political arena of *citizen* dialogue and decisions about civic affairs, except for purposes of public relations. They have become members of a board of supervisors that oversees a highly centralized, bureaucratic enterprise. Mandated by a minority of the eligible electorate to supervise public monopolies, they serve primarily as negotiators of compromises with well-organized and well-endowed elites, pluralities, and special interests. Real estate firms, construction and development companies, banking and finance institutions, unions, and the like, have become the citizenry served by the City’s bureaucratic polity. It does not resemble what a century ago the citizenry called “local government.”

The colossal size of bureaucratized city government, as the means to deliver services and to regulate and rule politically, does away with the conventional demands of political representation. With voting constituencies in the hundreds of thousands, political participation costs for the citizenry are exorbitant. For the individual trying to influence decisions at City Hall, it’s a Kafkaesque exercise in futility. For those unable to meet the ante, whose day-to-day interests are *not* meaningfully represented by the high-powered lobbyist-denizens of the Los Angeles municipal government, elected

officials are objects of fear and scorn. We typically fear them in their presence and scorn them in their absence. For most of us, local government is a historical artifact.

In a manner of speaking, we were forewarned of the consequences of bureaucratized polity. Following his visit to this country in the early 1830s, the French nobleman Alexis de Tocqueville wrote that centralized bureaucracy would be the “despotism democratic nations have to fear” in the future. He described a new type of public organization, for which he acknowledged having no name, an organization that would “degrade without [physically] tormenting.” A powerful force for promoting social isolation and undermining community, serving as the unsatisfactory arbiter and guarantor of equality, it would continuously narrow the space (i.e., rights, roles, and resources) for civic action until the citizenry is reduced to “a flock of timid and industrious animals, of which the government is the shepherd.”² Seemingly we have arrived at the place Tocqueville imagined.

What is it about bureaucracy that fosters such objectionable outcomes? The inherent anomaly of a bureaucratized polity like the City of Los Angeles is its domination by a single center of decision-making. The result is a complicated, costly, and error-prone system of communication and control.³

Moreover, the City’s monopolization of services reduces its sensitivity to large-scale diseconomies. Municipal monopoly is an incentive for the City to realize cost savings, improving the appearance of economy, by placing greater burdens on consumers. To the continuous pain and resentment of citizens with low to moderate incomes who find it difficult to move out of the City when its governance is offensive, burdensome, or simply inept, the City has defined “producer efficiency” without reference to “consumer utility.”⁴

That the movement for secession has momentum reveals self-interested collective action by the citizenry; it’s what we should expect of the people under the circumstances. And if that’s true, why shouldn’t the various districts of Los Angeles secede? If big is bad, shouldn’t smaller be good? And if secession is not the solution, what is?

Challenges of Empowerment

In the coming decades we will need to imagine and bring to life a form of government that can politically and economically empower myriad constituencies in different localities, from neighborhoods to districts to metropolitan regions. The secession of mid- to large-size districts, encompassing Hollywood, San Pedro, and the San Fernando Valley in Los Angeles, as proposed and defeated in 2002, would not have accomplished that objective. Such measures would not have relieved the alienation of ethnic and cultural neighborhoods and constituencies from the exercise of *public powers*. But had

they succeeded, they would have relinquished the economic advantages of both metropolitan and neighborhood boundaries for producing “public goods.” There is every reason to think that a newly formed San Fernando Valley city of more than one and a half million residents would establish another large and unresponsive bureaucratized polity.

Determining the optimum form of metropolitan government pits us against more than a century of misinformation and momentum that has subverted *progressive* structural reform of urban government. From the late nineteenth century and throughout the twentieth, “municipal reformers” claimed that the existence of many municipalities within a metropolitan area was politically ineffective and economically inefficient.

The earliest and most influential explanations of municipal reform were Woodrow Wilson’s *Congressional Government*⁵ and Frank J. Goodnow’s *Politics and Administration*.⁶ Wilson believed the state should have a single center of power, and constitutional separations and balances are little more than a facade. He proposed that as power becomes more divided, it becomes less responsible. Goodnow’s approach to city government highlighted the distinction between politics and administration, advocating the reforms of bureaucratic hierarchy, efficiency, and professional discipline.

Max Weber’s writing on bureaucracy supported Wilson’s central themes.⁷ Weber thought bureaucracies inherently rational and efficient. His belief was that, while government may have different political objectives, good administration has but one form: hierarchical organization with top-down authority directing technically trained civil servants. Its efficiency and effectiveness presumably could be measured in economic terms: maximum output at minimum cost. And derivative principles of municipal reform have been repeated ever since, including: widening span of control, functional departmentalization, unity of command, consolidation of authority in unit heads, and centralization in a chief executive—all easily identifiable characteristics of our big city governments.

After 1900, virtually every major city in the country created a “municipal reform bureau” to promote these principles of local government.⁸ Undoubtedly, many of the municipal reformers were morally motivated by the horrendous living conditions of the urban poor and the indifference of the industrial corporations that employed them. More to the point, however, “. . . the major initiators of structural reforms came primarily from the cities’ top business leadership and upper-class elite . . . to take formal political power from the previously dominant lower- and middle-class elements so that they might advance their own conception of desirable public policy.”⁹ Well-known industrial capitalists, seeing that the political machines could

no longer control the increasing demands of urban industrial workers, bankrolled the movement.

The reform principles were rationalized by theory that served distinct capitalist interests, with little or no scientific foundation. Nonetheless, with ample financial backing and an engaging theoretical rationale, municipal reformers justified reducing the number of governments within metropolitan areas, increasing the size of governments, reducing the number of elected officials, placing greater reliance on hierarchical control, and replacing smaller towns and limited-authority special districts with cities and counties having general authority. The effect has been to treat citizens in their local communities as incompetent to govern themselves and to contract together by petition and election to form public organizations for that purpose.

Unfortunately, municipal reformers' claims for improvements in efficiency and effectiveness have not been borne out. The main verified advantage of municipal reform has been that the boundaries of the larger city are more *economically* viable for the production of a particular class of public goods and services.

Significant negative consequences of municipal reform include fragmentation of political power through the creation of special districts to manage new urban services, and a decrease in the accountability of elected officials to the electorate.¹⁰ The political consequences of the latter have been catastrophic. Organized urban politics have been mostly unresponsive to the needs of growing minority populations, even with greater minority representation on city councils.

Overall, the municipal reform tradition, as characterized by Vincent Ostrom, has been “the disease rather than the doctor” of American public administration.¹¹ If the call was once to municipal reform, it ought now to be, “*reform* municipal reform.”¹²

But what would that reform look like in the twentieth-first century? What should we do about *our* governments that, by their very structure, even assuming good intentions on the part of those who guide them, inter hope and spirit, and poison human potential by their alienation of the citizenry? What are we to do about our bureaucratized urban politics that, despite having a monopoly on politics and the production and distribution of public goods, are rarely capable of economy and efficiency, never mind equality, equity and accountability?

Scientific Public Administration

There is a much more professionally rigorous history, theory, and practice of public administration that is an alternative to municipal reform ideology.¹³ Ostrom reconstructs from his reading of *The Federalist* the theory implicit in a “compound” federal republic—our combined federal, state, and local governments. He identifies its distinguishing

feature as the balancing of powers rather than their separation.¹⁴ Ostrom posits that each level of government offsets the powers of the government above it, enabling citizens to act politically through cities and counties to somewhat balance the states' powers, and to act through the states to restrain federal power. He points out that the founders of the nation consciously adopted this compound, *polycentric* model rather than the monocentric British national form.

Recognition of the compound federal structure as a stable, productive polycentric system, composed of numerous independent yet federated governments, is the first and essential step in developing a twenty-first century vision and strategy for metropolitan government, retrieving it from the domination of centralized bureaucratic monopolies.

Polycentric theory is the conceptual foundation for what is now known as “public choice” political-economics. Over the past several decades, public choice political-economists have examined various organizational patterns for producing public goods and services.¹⁵ Their approach has been to evaluate the outcomes of organizational decision-making arrangements under a wide variety of conditions.¹⁶ They conclude that not all polycentric systems are productive but may be optimized by varying the dimensions of their design. They take *public choice* or *demand* from the bottom up—in contrast to *expert* determinations of *need* from the top down—as their basic unit of an analysis.¹⁷

One criticism of public choice by progressives, however, has been its emphasis on individual demands, in contrast to the demands of many individuals purposefully organized to take action together.¹⁸ And if we project public choice to its logical conclusion, we might suppose, along with many of its critics, it will lead to the privatizing of local government services.

According to the proponents of public choice, there cannot be too many competing local governments in a metropolitan region. Such an arrangement, however, arguably will produce a dysfunctional fragmentation that obstructs intergovernmental cooperation. And thus the critics of the public choice perspective interpret it as endorsing the fragmentation of local government into multiple competing jurisdictions, undermining all possibility of effective and efficient metropolitan-wide services. Yet in spite of the seeming contradiction, public choice proponents “. . . support [metropolitan] functional consolidation or cooperation to achieve economies of scale and efficiency in provision of selected services.”¹⁹ (Emphasis added.)

Whatever the theoretical disagreements regarding public choice, it's not unreasonable, as we describe below, to conceive of two tiers of metropolitan government in a relationship that is essentially cooperative rather than invariably conflicted, each

tier recognizing its own and the other's capabilities and limitations in providing goods and services. This possibility is evidenced by the occasional productivity of regional councils of governments (COGs).²⁰

Going beyond municipal reform's measures of organizational performance, which are based on the ratio of goods produced to their production costs, public choice political-economists look at production *and* consumption costs. They thus ensure "social costs" will be included in measures of performance by including consumers' burdens, such as travel and waiting times. The complete criteria for evaluating government performance include: (1) efficiency—the ratio of production benefits (output) to costs (input); (2) effectiveness—the quality of service as a function of cost; (3) equity—the provision of special services to meet special needs; (4) equality—the provision of equal service for equal status; and (5) accountability—ensuring citizen access and control.

The public choice approach to organizational design is based on a theory of producing public goods and services.²¹ In a capitalist economy like ours, goods that can be divided and packaged for consumption according to the preferences of individuals—toothpaste sold in small tubes is the classic example—are usually in the *private* economy. Because such goods are divided, however, individuals who can't or won't pay for them don't get a share.

Purely *public* goods and services are indivisible and, once produced, they are (at least theoretically) accessible to everyone whether or not they pay for them. The costs of public goods and services are apportioned through taxes on the total population (again, at least theoretically). Water purification, air pollution control, providing city streets, and maintaining armed forces are examples of indivisible public goods.

These principles are not absolute, because some divisible goods and services are also produced publicly to ensure the welfare of the disabled and disadvantaged, and to lessen hardship for those who can't pay for essentials. When a good or service affects everyone equally by conditioning the whole environment, as with police patrols or mosquito spraying, it may be provided publicly. And, of course, some indivisible goods nonetheless are produced privately.

"Public bads" are the opposite of public goods. What an individual regards as a private good may be bad when considered as a matter of the public interest—say, for instance, a teenager who spray-paints gang graffiti on a public building, or a Malibu beach-front homeowner who illegally restricts access to a public beach. While the main goal of urban government is the production of public goods, typically by increasing the quantity of fa-

cilities and services, there is an equally important need to eliminate public bads. Often the yield from government investment is greater on balance from achieving more effective usage of facilities, effectively reducing public bads, than by increasing their quantity. Unfortunately, bureaucratic governments are notable for their inability to reduce or eliminate public bads by influencing public behavior, which is an arena in which face-to-face relationships are the *sine qua non*.

The need for small-scale jurisdictions with public powers to reduce public bads is both chronic and acute in our large cities. Los Angeles has had major gang activity over generations, with gang-related crime spiking on and off over decades. This problem is closely linked to a centrally directed police force regarded historically by lower-income and working-class ethnic and cultural communities as an "occupying power." Although police practices have improved and gang activity diminished in the L.A. metropolitan area over the last decade, these improvements barely mask the continuation of significant gang-related activity and problems,²² and violent crime—partially related to gang violence—spiked more than 20 percent in 2015.²³

Production of a public good involves a "deal" between the government and its "sponsors" (i.e., the taxpaying citizenry). The resulting benefits or burdens that *spill over* the city's boundaries, affecting people living nearby, are known as "externalities" or "spillovers." Animal control, paid for by L.A. taxpayers, spills over unearned benefits outside of the City by preventing stray animals from crossing its boundaries into adjoining cities, while a power generation plant within the city limits may spill over burdens in the form of wastes that are buried in another city. Urban public goods differ dramatically in their geographic implications, with spillover boundaries ranging from neighborhood to region. It's these infinitely variable spillovers of public goods that must be taken into account when considering the most economically effective form of government for metropolitan areas.

Each public good or service has an optimum scale of organization for production. Economies of large scale are associated with capital-intensive production, such as sewage treatment, power generation, water supply, and mass transit. Economies that can be achieved by small-scale organizations include labor-intensive activities, such as teaching, maintenance, inspection, and police foot patrols.

Two-Tier Metropolitan Government

We cannot vitalize urban government by trading centralized bureaucracy for district or neighborhood control. We can do so, however, by balancing the existing top-heavy system with grants of public powers to a lower tier of government. The polycentric model for this purpose is *two-tier metropolitan*

government, dividing public powers and functions along metropolitan and neighborhood boundaries.²⁴

The common incarnation of the two-tier metropolitan model is one in which the county becomes the upper tier, corresponding most closely to metropolitan boundaries, while existing municipalities, special districts, and school districts become the lower tier. While, as already noted, economic advantages may be realized from this restructuring, it does not address the alienation of the citizenry from the exercise of public powers. And at least one scholar has concluded, “. . . metropolitan governments appear biased against citizen participation in their affairs. Voting turnouts for the election of metropolitan councils have usually been low. And not one of the metropolitan governments created to date has moved very effectively to involve citizens in its activities.”²⁵ Under these circumstances, the most pressing need is to introduce public powers into *neighborhood* civil communities. The resulting grassroots empowerment would certainly moot the issue of secession for the majority.

Liberal altruists often argue, however, that public powers vested in neighborhood organizations will intensify ethnic and racial separation, and undermine fiscal equity, isolating low-income residents and lessening their share of public resources. But the people who live in low-income and minority neighborhoods, unlike virtually all whites except those in the lowest socio-economic classes, don't get a fair share of the benefits from the present system of urban government. Grassroots leaders in those neighborhoods might easily believe there's nothing regrettable about trading the rhetoric of integration for grants of public powers.²⁶

Across our contemporary cityscapes, the relationship between rich and poor areas is more like exploitation than charitable benevolence. In effect, low- to moderate-income neighborhoods may have more to gain from acquiring public powers—winning the rights and resources to manage their own development—than continuing to be disenfranchised in the current system.

Equally not compelling is the argument that if public powers are granted to neighborhoods, the areas with resources—that is, those producing significant tax revenues—are likely to secede, leaving to fend for themselves those without resources. This idea reflects a limited and mistaken conception of urban government as completely centralized or decentralized, rather than polycentric. In a two-tier metropolitan federation, empowered neighborhoods are part of a polycentric structure that includes county, state, and federal jurisdictions. It isn't possible to secede from their authority—particularly from their taxing, regulatory, and judicial powers—any more than San Pedro can secede from the County of Los Angeles and the State of California. And as we have seen from the failed

secession initiatives in Los Angeles, even seceding from the authority of a metropolitan government would be difficult if not impossible.

Is there a positive alternative to predictions of more isolation from neighborhood empowerment? Unlike the present situation in which monopolistic city governments tend to deny political rights, roles, and resources to citizens with low to middle incomes, thus ensuring their political impotence, neighborhoods with public powers would offer practical opportunities for cooperation between disparate empowered communities, each acting in its own self-interest. There will always be positive pressures for formal and informal arrangements, mutual aid pacts, and joint powers agreements in such a polycentric system.

In Los Angeles, or any other city dominated by bureaucratized polity, neighborhoods are frequently limited to interacting only in destructive competition or conflict, at the polls or elsewhere. While both will always be with us to some degree, granting public powers to neighborhoods in the context of two-tier metropolitan government would create opportunities for self-interested cooperation. Then neighborhoods would have the public powers to successfully launch and manage cooperative initiatives with one another.

What can we expect in the way of response to a movement for two-tier urban government rooted in a lower tier of directly democratic government with public powers? John J. Harrigan and Ronald K. Vogel caution, “The leaders of functional fiefdoms will rigidly oppose control-sharing schemes that will diminish their own influence over urban governments, and they will support citizen representation schemes that give the appearance of shared control so long as the substance of their control is unaffected.”²⁷

Lower Tier Empowerment

If the majority citizenry is to have an effective voice in the governance of the big cities, our urban neighborhoods will require organizations with a mix of public powers. To successfully govern and produce public goods and services requires a complex repertoire of organizational capabilities. Like any successful polity or enterprise, neighborhoods must be able to acquire, transform, and distribute resources. Authentic expression of our collective political and economic will demands that neighborhoods have legislative, taxing, and other public powers, although in limited grants which reflect the essential role of an *upper* tier of metropolitan government with broader authority and responsibility. These powers, along with a mandate to contract and assume debt, are essential to vitalize the civic rights and roles of the citizenry, and to capitalize and operate services and enterprises.

How can this vision of grassroots empowerment be achieved? There are three variations on neighborhood “empowerment” as the lower tier of metropolitan government: by administrative decentralization, by political decentralization, and by petition and election. These alternatives are differentiated by the direction of their sponsorship, their functions and authority, the extent of their public powers, and the characteristic ways in which their authority and powers become vested.

Administrative decentralization is easily recognizable from its top-down sponsorship. Notwithstanding the so-called decentralization, it amounts to little more than an enlargement of the existing centralized bureaucracy, an ironic expansion to fix a legendary sluggishness. Branches are established at lower levels, like Boston’s “little city halls,” serving populations from 50,000 upwards, with low-level managers authorized to “gather input” and implement policies of centralized decision-makers. The professed goal is to upgrade the distribution of public goods and services, to improve equity and equality in addition to efficiency and economy, by more accurate measurement of need and the targeting or tailoring of service delivery. Such decentralization does have a modest effect on the delivery of services—at least travel time to city agencies is reduced—but the character of political rule and bureaucratic decision-making remain obscure and inaccessible to the citizenry. The story of the Roxbury neighborhood of Boston and its Dudley Street Neighborhood Initiative illustrates that the “little city halls” have little or no effect on the bureaucratized polity of the city, thus confirming the necessity for continuous organizing of grassroots action.²⁸

Political decentralization, like its administrative counterpart, is also sponsored from the top down—but the similarity ends there. Limited political authority may be granted to local organizations. The neighborhood is given a limited franchise for a limited purpose under the supervision of the city. The essence of political decentralization is not branch-management but devolution of limited decision- and policy-making authority. The neighborhood councils established in Los Angeles, governed by locally elected representatives, may evolve into this kind of decentralization, acquiring limited “collaborative” authority for some aspects of the City’s programs and services.²⁹ Sometimes the authority of the representatives includes a “legislative” mandate, to make decisions on policy options set out by the city.

While some urban political-economists have proposed giving limited taxing authority to neighborhood councils, the practice is a non-starter and entirely without advocates among big-city mayors and managers, city councils, and elected county officials. Political decentralization doesn’t exist in

its ideal form. Its inescapable weakness is that by virtue of how it’s created, there is no prospect that it will ever encompass essential public powers, even in limited grants. And as every municipal official knows that it’s not possible to manage city government without such powers, the same is true for neighborhood government.

Petition and election, however, are means by which citizens can directly establish neighborhood organizations with public powers from the bottom up. Many states have the right of petition to bring about an initiative or referendum for charter reform. The organizations created by such actions differ clearly from their top-down-sponsored counterparts. The most important distinction between devolutionary approaches and bottom-up methods is their potential to bring about the vesting of public powers.

Unfortunately but not surprisingly, the decentralization of political decision-making in Los Angeles’ neighborhood councils, which potentially entails a sharing of policy-making authority, never vests any of the city’s public powers in the local councils, even though the councils were created by charter reform. The same initiative and referendum tools may be used again in the future, however, to grant limited public powers to neighborhoods in such a way that their withdrawal would require extraordinary conditions and actions, much as would be needed to eliminate cities and counties.

Thus the potential of granting public powers through initiative and referendum differs from devolutionary approaches in that neighborhoods so empowered may acquire permanent grants of the powers that are unique to governments. We may grant them limited entitlements to enact and enforce ordinances, levy taxes or service charges, exercise eminent domain, carry on policing, etc.

Neighborhood Politics & Economics

What form of governmental decision-making will ensure the democratic expression of the citizens’ will at the neighborhood level? Should it be direct democracy—the “open” form of government in New England towns—in which every citizen has the right to attend and vote in the town meeting? Or should it be representative government, as we have now in every city, with an elected council of a dozen or so members?

The answer hinges somewhat on the ideal size for neighborhood organizations that have limited public powers. If the metropolitan citizenry grants public powers to neighborhoods with populations of 5,000 to 10,000, the ideal for direct democracy and authentic community, some 150 to 300 such jurisdictions would be necessary in an urban area with a population of one and a half million.

But municipal reform political-economists have concluded that, given those numbers, direct democracy would not be practicable. That’s because they

assume that the *metropolitan* legislative body would be far too big—supposing that its members would be neighborhood representatives.

However, a single metropolitan area like Los Angeles is in some ways comparable demographically to the country as a whole at its founding, so the legislative body for the upper tier of our metropolitan government might properly consist of an assembly—several hundred representatives from directly democratic neighborhood governments. Such a transformation would dramatically increase the accountability of every bureaucratized metropolitan polity. Although this option is attractive theoretically, it may be far less than ideal in practice, as suggested below in considering options for upper-tier empowerment.

The municipal reform political-economists' rejection of neighborhood government reflects their observations of "little city halls," service centers, and other decentralized institutions scaled to serve "neighborhoods" ranging from 35,000 to 250,000 residents. None of the examples cited by David K. Hamilton involved vesting of public powers in directly democratic assemblies of 5,000 to 10,000.³⁰ Perhaps that's because neighborhoods of this smaller scale "do not reliably produce effective representation. Some neighborhoods simply lack the leadership cadre and institutions to articulate the interests of the residents."³¹ (Emphasis added.) But this lack is a compelling argument for directly democratic governance, by which the residents can speak for themselves.

Municipal reform political-economists maintain that small, localized organizations are inherently inefficient for the delivery of services. Polycentric theory and public administration practice suggest, however, that efficiency, effectiveness, and accountability in providing public services can be improved by allocating them among governments of varying sizes. For example, urban law enforcement thus apportioned shows gains on virtually all measures of performance.³² Support functions (records, communications, laboratory services, detention, training, etc.) may be allocated to the metropolitan area; fighting crime (capture of criminals, stakeouts, SWAT activities, etc.) to districts; and maintenance of public order (traffic control, public education, mediation of disputes, etc.) to neighborhoods. Similar divisions have been successfully applied to recreation, transportation, social services, health services, judicial administration, and education, with benefits not only from the production of public goods but the elimination of public bads.³³

Not surprisingly, "This devolution of power to neighborhoods is also generally resisted by the bureaucracy. Reasons for bureaucratic resistance involve the disruption of established routines and opposition to relinquishing their exclusive control

of service delivery." It also includes a fear of diseconomies of small scale.³⁴

The strongest arguments in favor of a lower tier of directly democratic metropolitan government and the small scale it demands relate not only to the economic benefits of public enterprise, but also to the political utility of "public space."

Creating Public Space

Political life in the United States at the beginning of the twenty-first century reveals an extraordinary degree of alienation. We have privatized concerns that were once thought to be matters of citizen discourse and decision-making. As individuals we no longer have opportunities to play meaningful roles in decisions of governance, which are reserved to distant and seemingly dehumanized bureaucracies. The frustration of human potential by denial of power has become a familiar theme.

This alienation originates in our lack of rights, roles, and resources to act effectively in politics and the economy. The result is a decay of the ideas that once united us as a people. The old beliefs are no longer reinforced by the outcomes they are supposed to influence. Behavior has become divested of values, moral purpose, and communal goals, leading to public malaise and obsession with material possessions. We see the evidence of this mass alienation in the *refusal* to vote and the drive for *personal* physique, position, prestige, possessions, and power.

People with low to middle incomes who are disillusioned and want to take action, many of whom are enamored with reactionary politics, either find no way or are steered to powerless positions and roles. This is one of the debilitating consequences of *advisory* neighborhood councils, notwithstanding the inflated rhetoric, hyperbole, and cant used in their formation. These councils do not cure the deficit in what was once called "political liberty," a more familiar expression for what political philosophers refer to as "public space"—the institutionalized rights, roles, and resources mentioned above.

For Jefferson and contemporary commentators, American independence created new political liberty but failed to institutionalize public space for its expression in action by the citizenry, except in periodic elections. Although the Constitution granted all power to the citizenry, it withheld opportunities for *acting* as citizens. The hallmark of political liberty, discussion and decision-making in government, was closed to all but representatives. And advisory neighborhood councils do not change that fact.

Jefferson believed this lack of public space was a defect in the structure of the newly established state and would continue to threaten the nation's welfare. He understood public space to be both a preventative measure and an antidote to bureaucratic tyranny and endless cycles of insurgency and

repression—of which we’ve had several in the recent history of our major cities. Jefferson believed that without public space as a permanent foundation for constructive citizen action, we would “. . . go on in the endless circle of oppression, rebellion, reformation; and repression, reformation, again; and so on forever.”³⁵ For the heart of this problem is not poverty, as many would have it, but powerlessness—which is the key to overcoming not only poverty but oppression and injustice as well.

Jefferson also believed that the presence of directly democratic government within a polycentric system would ensure that “every man in the state will let his heart be torn out of his body sooner than let his power be wrested from him by a Caesar or Bonaparte.”³⁶ After his retirement from public life, he advocated subdividing the counties into “little republics,” patterned on New England town governments, virtually all of which were founded as directly democratic popular assemblies. And they continue today, nearly four centuries later, because their citizens overwhelmingly favor retaining them as such.

The need for public space has grown rather than diminished over the course of our history of urbanization. It’s not difficult to understand how elected representatives are now recruited to serve powerful special interests, and how the representative system is thus transformed from a means of articulating the democratic will to a method for subverting it. This subversion is driving a wave of political alienation. Reputable studies have confirmed for decades the common sense conviction that voting and government policy are at best remotely related.³⁷ Millions of people understand that going to the polls is not a remedy for their endemic powerlessness, except possibly for school bond referendums and initiatives that limit taxes.

The massive scale of our urban governments is accompanied by the breakdown of political representation and the rise of centralized bureaucratic organizations. Consequently, we become alienated from public life, and the decline of our cities inevitably follows. We can reasonably expect in coming decades that, as metropolitan areas grow in population and conditions worsen for the majority, there will be more frequent and more extreme attempts to initiate or renew broadly based public life. Transforming those attempts into constructive action will depend mostly on envisioning rights, roles, and resources that will empower the majority citizenry by institutionalizing directly democratic public space and public enterprise as the foundation of metropolitan government.

Fostering Public Enterprise

Economic laws and traditions in the U.S., grounded in capitalism, discourage governments from engaging in enterprise, which is normally considered the preserve of private, profit-making companies—a

kind of “preferential option for the rich.”³⁸ The production and distribution of private (i.e., divisible) goods and services in the capitalist economy are generally excluded from the scope of government activity. This is ironic because we trace our history from the English parishes that obtained income by brewing beer, renting pews, and other enterprise, and from the American colonies that were founded by commercial exploration companies. But there are other reasons for neighborhood governments to participate in enterprise within the context of polycentric public industry.

Public investment in social infrastructure—that is, in local organization and the cultural values and beliefs that sustain it—represents a form of collective capital. It ordinarily bestows unearned benefits on the owners of private capital, which are charged to the rest of us through taxation. The few possessors of substantial wealth enjoy extraordinary advantages from this arrangement, which is apparent when such investments are withheld and the infrastructure begins to decay or disappears altogether. As public investment in streets, schools, libraries, etc., declines, private enterprise and capital accumulation suffer shortages of human resources. The labor force decays, because training, education, and health care slacken, resulting in the loss of public services, from policing and maintenance of streets to mail service.

Public subsidies to private enterprise, through uncompensated investments³⁹ in social infrastructure, create lucrative incentives for more capital-intensive technology and production. Yet there is an enduring viewpoint among radical economists that long-term development of our political economy requires a partial turning away from capital-intensive, socially wasteful industries.⁴⁰ Their great demands for capital, energy, and materials tend to restrict ownership and control to a small minority. They strain government fiscal capacity, generate unmanageable wastes and social pathologies, and leave idle large pools of labor. The alternative is for the public to directly reap some of the benefits of their investment in social infrastructure by engaging in local, less-capital-intensive enterprise, especially in the service economy.

There are unlimited opportunities for publicly sponsored, small-scale, labor-intensive enterprise, offering practical routes toward economic decentralization of the political economy.⁴¹ Nothing in the U.S. Constitution prohibits the states from exercising proprietary rights of enterprise, and several, North Dakota most notably with its state banks, have done so. The states may grant proprietary rights to local governments through their chartering, by legislative enactment or initiative, or by constitutional amendment. State courts have even permitted municipalities to engage in commerce beyond their own city limits. Local governments in

Michigan, for example, own and operate housing for the elderly in Florida. An early Ohio court decision allowed a city to operate a railroad across its own boundaries. Eminent domain represents another way in which governments may intervene in the private economy, as demonstrated in *People of Puerto Rico v. Eastern Sugar Association* (156 F. 2d 316, 1946). In that case, the U.S. Court of Appeals upheld the Puerto Rican legislature's use of eminent domain to break up large concentrations of land-holdings by sugar companies.

Attempts by cities in the nineteenth century to own and operate utilities were initially branded as "gas and water socialism." But thousands of cities now own utilities. And, more recently, in the wake of California's power industry chaos at the beginning of this century, in which only those cities with their own generators didn't face the threat of rolling blackouts, more than a dozen communities "have considered abandoning large investor-owned utilities" in favor of operating their own power plants.⁴² An interesting facet of this development is the consideration given to "spot utilities," taking advantage of the latest noiseless generators that can economically and efficiently serve as few as a dozen homes.

However, given the continuing development of solar technology, a much more promising alternative exists in neighborhood-based solar power generation: residents would save substantial money in electricity bills over time; as households withdraw from coal-based electric generation, reduced coal-burning would curtail asthma epidemics that coal dust often causes in low-income neighborhoods; the emission of CO₂ into the Earth's atmosphere would be reduced, easing the climate crisis; and the market and political power of the coal industry would be reduced while the market and political power of the solar power industry would increase.⁴³

Local governments run printing plants, phone systems, public baths, laundries, theaters, markets, and much more. Some own sports teams, and many others own cable TV systems. In the past, one of the directors of the Golden Gate Bridge District, the multi-county public authority that also operates a ferry fleet and bus system, recommended that the District purchase or construct its own oil refinery, to satisfy its needs and those of all other public transportation agencies in Northern California. Once a local government is given proprietary authority, it may acquire an enterprise or other resources either by purchase or by eminent domain, although a public purpose must be served in both cases, and fair compensation made in the latter. The decentralization experiments of recent decades have tested and refined many such enterprises, including food cooperatives, daycare centers, com-

munity tool cribs, job exchanges, health clinics, and infintum.

Beyond service-enterprise, intermediate manufacturing-technologies, many of which are byproducts of international development efforts, make it practical to create less-capital-intensive workplaces. The application of these technologies by neighborhood organizations raises a hope for relieving the alienation of modern workers in the workplaces of industrial capitalism, an alienation that has not been relieved for low-wage workers in high-tech, online-retailing, building-maintenance, or fast-food industries.

Public sponsorship of enterprise, if by directly democratic neighborhood governments, presents the prospect of distant yet feasible opportunities for worker self-management, a remedy for workplace alienation. The potential for productive worker-controlled, directly democratic enterprise has been demonstrated repeatedly in the Basque region of Spain, in Israel, Yugoslavia, Chile, and elsewhere. One approach to integrating self-managed enterprise into neighborhood government is by adopting a two-chamber assembly, with popular participation in the lower chamber based on residence and in the upper chamber based on workplace.

The vesting of public powers in grassroots organizations serves over time to countervail corporate power. The union movement in its early life is an example of how long-range, bottom-up investment in social infrastructure can refine and consolidate new power, critically altering relations with the elites who monopolize private capital.

As more urban social communities emerge in the coming decades—primed for organizing by the downwardly spiraling conditions created by municipal government that has abandoned them and by the effects of mature industrial capitalism—a lower tier of directly democratic neighborhood government promises to be the most effective means for filling the infrastructural void.

Our alienation from decision-making power where we live and work, buy and sell, and where we're governed, creates a strong bias to directly democratic rather than representative neighborhood government. It is a brief for public space and self-managed enterprise. And in the absence of any economic law that predicts a better capital-to-output ratio by concentrating capital at fewer sites, decentralization also offers the possibility of greater total economic productivity.

Upper Tier Empowerment

Achieving a single, unified upper tier of urban government is more or less problematic depending on the congruence of city and county boundaries, and on the number of cities within the municipal boundaries. For example, the incorporated cities of

Culver City, Beverly Hills, West Hollywood, and Santa Monica are located within the boundaries of the City of Los Angeles.

The potential for creating a two-tier metropolitan federation in Los Angeles depends in part on imagining the place of existing special districts and general-purpose municipal governments. The list of possibilities is endless, and certainly none are predictable. Except for the possibility of special districts and municipalities dissolving voluntarily, merging, or consolidating with metropolitan or neighborhood governments, it's likely that many or most of these districts and small cities will continue to represent genuine if not symmetrical civil communities in the urban political-economy. In the future Los Angeles we may see a "federal" government, with metropolitan and neighborhood tiers predominating, but not excluding the remaining special districts and smaller cities.

When the existing county jurisdiction corresponds to the metropolitan area, the main tasks are to expand its authority and responsibility, and to transform its structure of executive and legislative offices. Many metropolitan areas, including San Francisco, have achieved this transformation by a consolidation of city and county. These objectives would seem to be all the more feasible if there is parallel development of public powers in grassroots organizations, even on a modest scale.

Admittedly, the history of proposed city-county consolidations to create metropolitan governments has produced a disappointingly small number of successful ballot measures aimed to achieve such reorganizations.⁴⁴ As Hamilton explains, "Proponents of reform are often not effective at mobilizing community support because [1] they are not representative of all segments of the population, [2] the benefits they espouse are too abstract or long-range to interest most voters, and [3] there is generally a lack of political or grassroots organizations actively supporting the reorganization."⁴⁵ Nevertheless, it's not unreasonable to imagine that, with the establishment of directly democratic neighborhood governments with limited grants of public powers, the citizenry may evolve a different perspective on initiatives to bring about consolidated metropolitan government, since their previous alienation from the public powers would no longer automatically stimulate distrust of all government.

Hamilton and most other scholars of metropolitan government regard the two-tier approach as *not* a viable alternative.⁴⁶ The examples cited invariably describe a lower tier of municipalities or districts governed by councils of representatives, most of which can be fairly regarded as bureaucratized polities in their own right. Their representative form precludes directly democratic exercise of public powers by the citizenry. Implicit in virtually all of the contemporary writing on metropolitan

government is the idea that the citizenry is incompetent to govern itself through direct exercise of public powers, so unfortunately that possibility is never even considered.

Electoral Options

The pivotal issue in the development of an upper tier is the structure of elective offices, and there are a number of options worth considering. Metropolitan officials may be designated by neighborhood governments and hold their upper-tier incumbency *ex officio*. Or they may be elected from neighborhood government jurisdictions. In either case, the legislative body of the metropolitan government would resemble an assembly with several hundred representatives. Another option is for upper-tier officials to be directly elected from larger districts, comprising multiple neighborhood jurisdictions. Or they may be elected at-large, representing the entire city.

There are disadvantages and dangers in constituting metropolitan governments as (1) federations of neighborhood representatives, either *ex officio* or directly elected from the neighborhoods, or (2) electing upper tier officials at large. The risk is in concentrating disproportionate attention on either neighborhood or metropolitan concerns. On the one hand, there's the disconcerting possibility of a metropolitan assembly of neighborhood representatives bogged down in ceaseless conflict, pursuing narrow interests without let-up, and ignoring larger geo-political or economic issues. On the other hand, the dangers of at-large elections for metropolitan government are high-cost campaigns resulting in severe financial burdens and restriction of elective office to a select few, undermining the voting power of minority and low-income constituencies.

There is an at-large electoral system that ensures representation of multiple constituencies exactly in proportion to their voting strength.⁴⁷ This "proportional representation" is somewhat complex in operation and has not gained public support in the U.S., although it has done so in Europe.⁴⁸ Such a system would require the introduction of partisan political parties into local government elections. The parties would win seats in the metropolitan legislative assembly in proportion to their share of the popular vote.⁴⁹ However, this system runs counter to the virtually universal nonpartisan tradition of American local government and is very unlikely to be widely adopted.

Electoral districting of the upper tier in metropolitan government on the scale of existing municipal councilmanic districts with constituencies of 50,000 to 500,000 may be the most feasible and desirable upper-tier structure of elective offices. Because it reflects the interests of current elected city council representatives and their constituencies, it is more likely to be adopted. And given the

choice between at-large representation that favors “metropolitanism” and neighborhood representation that favors “localism,” it offers a means for building district-wide alliances and resolving inter-governmental conflicts.

The successes of neighborhood and metropolitan governments in meeting the challenges of urban governance, insofar as they are organized and begin to operate in coming decades as compound structures, will reflect their ability to work cooperatively. The two tiers of government must have institutionalized communication channels and decision-rules that are integrated in a system of mutual understandings and that are positively sanctioned by state laws, formal contracts, and other covenants that define their respective domains and terms of interaction. One of the most important issues is how fiscal resources are to be divided between the variously sized governments.

Fiscal Considerations

Acquiring fiscal resources for their own jurisdictions is the ongoing task of responsible public officials. The problem is that the tax base varies unevenly across jurisdictional boundaries. This results in “cutthroat intergovernmental competition” to internalize (take in) resources and to externalize (throw out) problems and costs, through boundary changes, legislative mandates, or other means.⁵⁰ Economic activities invariably spill over political boundaries, with people living, working, playing, earning, and spending in different government jurisdictions. The net effect is a persistent mismatch between needs and resources.

The challenge in distributing resources is defining and assigning the costs and benefits of fiscal flows, which are the underpinnings of equalization strategies. The task when assigning costs and benefits is to prevent exploitation of or windfalls to any governmental unit and its segment of the metropolitan citizenry. The most promising structure for this purpose is a polycentric system in which political-economic empowerment is gained through variously sized public organizations that can effectively manage their externalities.

The bad news is that “local” officials in large cities and urban counties, managers of bureaucratic public monopolies, oppose in every way possible the formation of new, competing, independent centers of public power within their jurisdictions. In response to the Carter Administration proposal to give neighborhoods “equal standing” with other governments for direct federal funding, the U.S. Conference of Mayors branded the plan as a threat to “progress and harmony” in the cities—and nothing has changed since then.

The good news is that while the urban tax base may in places be insufficient for neighborhoods to become full service providers, prospects are good for gap-filling roles in producing and distributing

goods and services. The potential for service divisibility, accumulation of resources through enterprise, and fiscal equalization strategies has been demonstrated in the urban development and decentralization experiments of the last five decades.

Fiscal Equalization Strategies

There are two especially promising strategies for equalizing fiscal resources, apart from shifting the regulatory, program, or service functions of municipal government to higher levels, as with the transfer of city hospitals to the county. Equalization may be achieved by delivering services in neighborhoods but transferring upwards the responsibility for taxing and financing. Financing of public education has moved a long way in that direction.

Federal and state financing takes many forms, and several of them could be aimed at neighborhood governments. Former U.S. Senator Mark Hatfield (R-Oregon, d. 2011), for example, introduced legislation to fund neighborhood governments by way of a Federal income tax credit.⁵¹ Presumably it failed to pass for lack of an organized constituency at the time. The individual taxpayer in Hatfield’s plan would have received a dollar-for-dollar credit against Federal income tax for taxes or fees paid to neighborhood governments. It has been proposed that state sales taxes be rebated to neighborhood governments for implementing state-recommended improvement programs. And financial assistance might be given with vouchers that can be cashed only by neighborhood jurisdictions.

Another way of equalizing resources among competing urban governments is tax-base-growth-sharing, a plan to share future growth of the urban tax base. State enabling legislation for this approach was adopted by Minnesota in 1971.⁵² The plan there takes 40 percent of the annual increase in non-residential property tax assessments within a region, pools those resources at the metropolitan (sometimes the county) level, and then redistributes them back to all contributing jurisdictions on a formula tied directly to population and inversely to current per capita assessed valuations in each area.

Although not equalization strategies per se, among the least recognized possibilities for fiscal empowerment of neighborhood governments are locally generated resources. The resource base for urban governments can be considerably expanded by neighborhood sponsorship of public enterprise and by effective control of public bads.

Going Backward or Forward

Secession is not the solution for what ails us. It’s a backward step based on a discredited nineteenth century theory and practice of local government. Instead of one unresponsive bureaucratic government, we’ll have two—or three or four. Instead of the clear advantages of near-metropolitan bounda-

ries, we'll have fragmented and economically dysfunctional jurisdictions that correspond to councilmanic districts within our cities.

One of the worst likely outcomes of secession is the inevitable increase in alienation and despair it will produce among low- to middle-income citizens. How long after a successful secession initiative should we imagine it will take before most citizens realize that little or nothing has changed? Services are no better, regulatory activity is no fairer, opportunities for grassroots communal enterprise are no greater, and political and bureaucratic decision-making are no more accessible. The probable but ironic outcome of a successful secession is that the citizens, having had their expectations disappointed, will be all the more alienated from their "local government."

What makes such a result even more outrageous is that few of the principal proponents of secession are primarily interested in "good government." We have political careerists, self-serving entrepreneurs, and self-promoting media, in a movement representing special interests, pluralities, and elites—all

promising "local community control" as a public relations gambit. But what we don't have is a movement of the people, by the people, and for the people.

If the citizens of our big cities decide to move forward and take governance into their own hands, hopefully they will begin with a vision of two-tier, directly democratic metropolitan government, one in which their hands are holding the handles of public powers in their own neighborhoods.

What are the prospects for this vision of citizen empowerment? Admittedly they are few and far between at present. There is no organized constituency for institutionalized citizen empowerment and it's patently not in the interests of those constituencies that are already organized. Yet it's not far fetched to imagine that—as the conditions of urban life become more punishing, and as our dissatisfaction with municipal governance intensifies—a social movement could emerge and eventually become organized to vest permanent public powers directly in the majority citizenry.⁵³

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¹ See Peter Dreier et al., *Place Matters: Metropolitica for the twenty-first century*, Second Edition (Lawrence: University Press of Kansas, 2004), p. 59, quoted by Michan Andrew Connor in "Metropolitan Secession and the Space of Color-Blind Racism in Atlanta," *Journal of Urban Affairs*, 37(4):436-61 (October 2015), p. 436. The Atlanta, Georgia metropolitan area provides a case study of racially based political motivations for secession initiatives. In the abstract for his article, Connor writes: "The Reverend Joseph Lowery and the Georgia Legislative Black Caucus sponsored a 2011 voting rights lawsuit, *Lowery v. Deal*, which demanded the disincorporation of several majority-white cities in Georgia's Fulton and DeKalb Counties and preemption against attempts by affluent and majority-white north Fulton to secede from the rest of the county. Secession would have severe consequences for racial equity in the metropolitan area."

² See Alexis de Tocqueville, "What Type of Despotism Democratic Nations Have to Fear," Chapter 6 in *Democracy in America: Historical-Critical Edition*, Vol. 4 (Indianapolis: Liberty Fund, 2010).

³ For an extensive treatment of the limitations of highly centralized bureaucracies and the advantages of polycentricity, see Elinor Ostrom, "Polycentricity, Complexity, and the Commons," *The Good Society*, 9(2):37-41 (1999).

⁴ See Vincent Ostrom and Elinor Ostrom, "Public Choice: A Different Approach to the Study of Public Administration," *Public Administration Review*, 31(2):203-216 (March-April 1971), p. 210.

⁵ See Woodrow Wilson, *Congressional Government: A Study in American Politics* (New York: Meridian Books, 1956/1885).

⁶ See Frank J. Goodnow, *Politics and Administration: A Study in Government* (New York & London: Macmillan, 1900)

⁷ See Max Weber, *Economy and Society: An Outline of Interpretive Sociology* (New York: Bedminster Press, 1968).

⁸ For a case study that casts municipal reform in a positive light, see Jane S. Dahlberg, *The New York Bureau of Municipal Research* (New York: New York University Press, 1966).

⁹ See Samuel P. Hays, "The Politics of Reform in Municipal Government in the Progressive Era," *Pacific Northwest Quarterly*, 55:157-166 (October 1964), quoted by John J. Harrigan and Ronald K. Vogel, *Political Change in the Metropolis*, Seventh Edition (New York-San Francisco-Boston: Longman, 2003), p.

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85. For a contemporary study on the policy preferences of the wealthy in contrast to majority citizenry, see Benjamin I. Page, "Democracy and the Policy Preferences of Wealthy Americans," *Perspectives on Politics*, 11(1):51-73 (March 2013).
- ¹⁰ See Harrigan and Vogel, pp. 98-99.
- ¹¹ See Vincent Ostrom, *The Intellectual Crisis in American Public Administration* (Tuscaloosa: University of Alabama Press, 1989).
- ¹² For a less than idealized view of municipal reform, see Robert L. Bish and Vincent Ostrom, *Understanding Urban Government: Metropolitan Reform Reconsidered* (Washington: American Enterprise Institute for Public Policy Research, 1973).
- ¹³ See Peter J. Boettke et al., "Polycentricity, Self-governance, and the Art & Science of Association," *Review of Austrian Economics*, 28:311-335 (2015).
- ¹⁴ See Ostrom, *The Political Theory of a Compound Republic: Designing the American Experiment* (Lincoln: University of Nebraska Press, 1987).
- ¹⁵ For a seminal work in this vein, see Robert L. Bish, *The Public Economy of Metropolitan Areas* (Chicago: Markham Publishing, 1971).
- ¹⁶ See Elinor Ostrom and Vincent Ostrom, "The Quest for Meaning in Public Choice," *American Journal of Economics and Sociology*, 63(1):105-147 (January 2004), especially their discussion of The Institutional Analysis and Development (IAD) Framework, pp. 114-123.
- ¹⁷ For a general survey, see Glen O. Robinson, *American Bureaucracy: Public Choice and Public Law* (Ann Arbor: University of Michigan Press, 1991).
- ¹⁸ For a review of the basic public choice assumptions regarding individual behavior in relation to the provision of public goods and services, see Vincent Ostrom and Elinor Ostrom, "Public Choice: A Different Approach to the Study of Public Administration," p. 205.
- ¹⁹ See David K. Hamilton, *Governing Metropolitan Areas: Growth and Change in a Networked Age*, Second Edition (New York & London: Routledge, 2014), p. 205.
- ²⁰ The COGs serve as "neutral territory" for considering common issues, formulating cooperative policies and practices, and coordinating programs by member-governments. Despite well-founded criticism of COGs, highlighting a history of ineffectiveness despite federal and state support, they have also demonstrated a capacity to be "important players in regional governance," as has been the case with the Southern California Association of Governments (SCAG) that covers the Los Angeles region. See Hamilton, p. 253. Moreover, in Vincent Ostrom and Elinor Ostrom, "Public Choice: A Different Approach to the Study of Public Administration," the authors conclude that in a polycentric structure of public organizations, ". . . we should not be surprised to find rational, self-interested public administrators consciously bargaining among themselves and mobilizing political support from their clientele in order to avoid political stalemate and [to] sustain the political feasibility of their agencies" (p. 212).
- ²¹ For example, see Guy Gilbert and Pierre Picard, "Incentives and Optimal Size of Local Jurisdictions," *European Economic Review*, 40:19-41 (January 1996) and Vincent Ostrom and Elinor Ostrom, "Public Choice: A Different Approach to the Study of Public Administration," p. 206.
- ²² In a little more than a dozen years, we have gone from Frank del Olmo's report, "L.A.'s Next [Police] Chief Should Listen to What the Community Wants," *Los Angeles Times* (April 14, 2002) to Ann Brenoff's, "Behind LA's Dramatic Decline in Gang Violence," *Huffington Post* (February 24, 2015) (accessed at: http://www.huffingtonpost.com/2015/02/24/gang-violence-decline_n_6656840.html)—which ascribes much of the success to "smarter," community-oriented policing.
- ²³ See Richard Winton, "Violent crime up 26% in Los Angeles, LAPD chief says," *Los Angeles Times* (January 14, 2015), although some estimates are as low as 20 percent.
- ²⁴ For an introduction to the "two-tier solution," see Bish and Ostrom, pp. 12-15.
- ²⁵ See Harrigan and Vogel, p. 273.
- ²⁶ For an example of how the foundations might be developing for this perspective on directly democratic public powers, see Harold McDougall, *Black Baltimore: A New Theory of Community* (Philadelphia: Temple University Press, 1993).
- ²⁷ *Ibid*, p. 373
- ²⁸ See "Holding Ground: The Rebirth of Dudley Street," an award-winning documentary film (available on videocassette/DVD) about the community organizing and development that revitalized the Roxbury neighborhood of Boston (Ho-ho-kus, NJ: New Day Films, 1996).
- ²⁹ See Margaret Weir, "A Discussion of *Investing in Democracy: Engaging Citizens in Collaborative Governance*," *Review Symposium*, 8(2):595-598 (June 2010), who notes that these "collaborative" approaches, while initially promising, are less than effective and durable (p. 597) and raise ". . . basic political science questions about the role of power and conflict in setting the rules of the game" (p. 596).
- ³⁰ See Hamilton, pp. 212-217.

³¹ Ibid, p. 217

³² See Elinor Ostrom et al., “Do We Really Want to Consolidate Urban Police Forces? A Reappraisal of Some Old Assertions,” *Public Administration Review*, 33(5):423-432 (September-October 1973), which concludes: “(1) small police departments can provide higher levels of service than larger departments, and (2) high degrees of specialization and professionalization are not required for effective police services. On the basis of this, we believe more serious attention should be paid to proposals for creating small jurisdictions within large cities to provide generalized patrol services while enhancing opportunities for community control. At the same time, a large-scale police jurisdiction in the same city may be needed to provide the more technical services which require specialization of personnel and equipment. Conceptualization [of] reform as *either total consolidation or total decentralization* may not lead to better police services in metropolitan areas. Conscious use of overlapping jurisdictions of varying sizes may be necessary to combine the advantages of both small and large scale” (p. 430).

³³ For a review of issues related to the *economic* viability of small-scale political institutions, surveys of “decentralization experiments,” and the potential for neighborhood government to play an economically useful role in providing neighborhood-based health care service delivery, see Moshe ben Asher, “Vill Economics” (accessed at: http://www.gatherthepeople.org/Downloads/VILL_ECONOMICS.pdf)

³⁴ See Hamilton, p. 216.

³⁵ See Letter to Samuel Kercheval, June 12, 1816, in *The Works of Thomas Jefferson*, Vol. 12 (New York: G.P. Putnam’s Sons, 1905), p. 9.

³⁶ See Letter to Joseph C. Cabell, February 2, 1816, in (Albert Ellery Bergh, ed.) *The Writings of Thomas Jefferson*, Vol. 14 (Washington, DC: Thomas Jefferson Memorial Association, 1907), pp. 421-23.

³⁷ For a relatively early example, see Robert R. Alford and Roger Friedland, “Political Participation and Public Policy,” *Annual Review of Sociology*, 1:429-479 (1975), p. 19.

³⁸ This is in contrast to the Catholic doctrine of a “preferential option for the poor,” which ensures that, “In every economic, political, and social decision, a weighted concern must be given to the needs of the poorest and most vulnerable.”

³⁹ That is, not offset by tax revenues from the corporate beneficiaries.

⁴⁰ For examples, see: Gar Alperovitz, “Notes Toward a Pluralist Commonwealth,” *Review of Radical Political Economics*, 4:28-48 (June 1972); Fadhel Kaboub, “Elements of a Radical Counter-movement to Neoliberalism: Employment-led Development,” *Review of Radical Political Economics*, 40:220-227 (Summer 2008); Andrew Cumbers and Robert McMaster, “Revisiting Public Ownership: Knowledge, Democracy, and Participation in Economic Decision Making,” *Review of Radical Political Economics*, 44:358-73 (September 2012); and Sofa Gradin, “Radical Routes and Alternative Avenues: How Cooperatives Can Be Non-Capitalist,” *Review of Radical Political Economics*, 47:141-58 (June 2015).

⁴¹ For one promising approach, see Hubert Schmitz, “Collective Efficiency: Growth Path for Small-Scale Industry,” *Journal of Development Studies*, 31(4):529-38 (April 1995).

⁴² See Tina Borgatta, “After Energy Jolt, Cities Think Small,” *Los Angeles Times* (May 26, 2002)

⁴³ Rabbi Arthur Waskow (office@theshalomcenter.org) proposed these advantages as a benefit of neighborhood-based cooperatives in his Shalom Center email broadcast, “From Solar Neighborhood Coops to a Sustainable Planet” (February 26, 2016).

⁴⁴ See Hamilton, pp. 129-130.

⁴⁵ Ibid, p. 130

⁴⁶ Ibid, p. 149

⁴⁷ Joseph F. Zimmerman argues for proportional representation in his article, “A ‘Fair’ Voting System for Local Governments,” *National Civic Review*, 68:481-507 (October 1979). See also Rob Ritchie et al., “Reclaiming Democracy in the 21st century: Instant Runoffs, Proportional Representation, and Cumulative Voting,” *Social Policy*, 31(2):35-42 (Winter 2000).

⁴⁸ See Karen Beckwith, “Comparative Research and Electoral Systems: Lessons from France and Italy,” *Women and Politics*, 12(1):1-33 (1992).

⁴⁹ See Rob Ritchie and Steven Hill, “Proportional Representation—Are Winner-Take-All Elections Fair?” *Social Policy*, 26:25-37 (Summer 1996) and Andreas Ladner and Henry Milner, “Do voters turn out more under proportional than majoritarian systems? The evidence from Swiss communal elections,” *Electoral Studies*, 18(2):235-50 (June 1999).

⁵⁰ See Allen D. Manvel, *Urban America and the Federal System* (Washington, DC: Advisory Commission on Intergovernmental Relations, 1969), p. 12 (accessed at: <http://www.library.unt.edu/gpo/acir/Reports/information/m-47.pdf>).

⁵¹ In his statement to the U.S. Senate, related in the *Congressional Record*, 11:145 (October 1, 1973), Hatfield enumerated his reasons for introducing the legislation (S.2502)—to wit: “the central importance of liberating the individual person; the imperative to decentralize power, or conversely, the inherent dangers

of political and economic centralization; the instinctual need for community and family being central to the health of any greater unit of organization—the city, county, State, Nation, or the world; the humanity and fallibility of public officials; and the requirement of government, if it is to be democratic, effective and responsive, to be rooted close to the people.”

⁵² See Metropolitan Council, “Fiscal Disparities: Tax Base Sharing in the Metro Area” (n.d., accessed at: <http://www.metrocouncil.org/Communities/Planning/Local-Planning-Assistance/Fiscal-Disparities.aspx>).

⁵³ For a proposal to address institutionalized power-inequality by granting limited public powers to directly democratic neighborhood organizations, see Moshe ben Asher and Khulda bat Sarah, “Public Powers for the Commonwealth: A Challenge to Faith-Based Organizing,” *Social Policy*, 45(4):21-28 (Winter 2015).

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