

**Panel Schedule "Local and Urban Politics in Multilevel Systems"
SVPW Congress, 30/31 January 2014, University of Berne**

Thursday, 30 January 2014, 13h30–16h00; Chair: Oscar Mazzoleni

Keynote speech by Prof. A Lidström

1. Assessing Democratic Urban Governance: Towards a Comparative Framework (*Dlabac*); discussant: **Lambelet**
2. Urban Power in two Swiss metropolises (*Lambelet*); discussant: **Dlabac**

Friday, 31 January 2014, 9h30–12h30; Chair: Oliver Dlabac

3. Theorizing positioning strategies of secondary capital cities: Forerunner Washington D.C., Laggard Bern? (*Kaufmann*) discussant: **Mazzoleni/Pilotti**
4. Institutional Constraints, Party Policy Conflict and Coalition Formation in Multilevel Systems: Evidence from the German Local Level (*Debus & Gross*); discussant: **Mueller**
5. Explaining communal merging in Swiss urban landscapes: the City of Lugano (*Mazzoleni & Pilotti*); discussant: **Kaufmann**
6. Fewer, Bigger, Stronger? The Political Consequences of Local Government Mergers in Switzerland (*Mueller*); discussants: **Debus/Gross**

Friday, 31 January 2014; 14h00–16h00; Chair: Sean Mueller

7. Fiscal policies in federal countries during times of crises (*Ruiz & Trein*); discussant: **Cappelletti**
8. The political economy of formula-based transfers: evidence from the Swiss cantons (*Cappelletti*); discussants: **Ruiz/Trein**

Final debate and closing note by Prof. A Lidström

List of Abstracts

1. Assessing Democratic Urban Governance: Towards a Comparative Framework

Oliver Dlabac, Centre for Democracy Studies/University of Zurich,
oliver.dlabac@zda.uzh.ch

Urban regime theory maintains a privileged position of business power within governing coalitions. New institutionalism points to power asymmetries in the institutions and practices of governments and bureaucracies. Yet, it is precisely in this domain of urban governance where democratic innovations are presumed to hold their most radical potentials. In an effort to integrate advancements in urban research and democracy research, I propose democratic criteria for a global assessment of participatory governance arrangements (empowered advocacy, accountable administration). These arrangements are conceived as embedded in a broader democratic context, i.e. institutions of local government (accountable leadership, representation, self-rule, rule of law) and metropolitan governance (advocacy of affected localities, capacity for collective action). It is proposed to qualitatively trace how different institutional configurations bear on democratic outcomes in policy making and planning in cities as diverse as Vancouver, Lyon, Stuttgart and Zurich.

2. Urban Power in two Swiss metropolises

Sébastien Lambelet, University of Geneva, sebastien.lambelet@unige.ch

Who governs Swiss agglomerations? This paper aims at studying power relations in the metropolitan areas of Zurich and Bern. Relying on urban regime theory (Elkin, 1987; Stone, 1989), it focuses on the relations between public and private actors at the local level and analyses how these actors form stable governing coalitions to lead urban renewal projects.

Stone defines an urban regime as "the informal arrangements by which public bodies and private interests function together to make and to carry out governing decisions" (1989:179). This definition entails four core elements: a) a governing coalition including public and private actors; b) a common agenda targeting the interests of this coalition; c) the capacity to mobilize resources to sustain this agenda and finally d) a scheme of long-term cooperation leading to self-confidence among involved actors (Stone, 1989, 2005:329; Mossberger, 2009:49).

Following this definition, the emergence of urban regimes remains uncertain in the Swiss political context. On the one hand, setting-up an urban regime should be eased by the narrow links existing between state and non-state actors ensuing from the neo-corporatist model (Katzenstein, 1985; Lijphart, 1999), and by the large political and fiscal autonomy of Swiss municipalities (Horber-Papazian, 2006, Schaltegger et al., 2011). On the other hand, direct democracy can reduce

informal cooperation, oppose private interest and delay important urban projects (Borner, 1997). Moreover, Swiss cities and agglomerations face a high-level of institutional fragmentation (Kübler, 2006:265ff.). Together, these factors should constrain the emergence of urban regimes. This paper tackles the puzzle coming from these diverging institutional pressures and asks the following question: which institutional features are the most influential in metropolitan areas?

Drawing a distinction between centre and periphery in each metropolis, I focus on recent urban renewal projects in the cities of Zurich (Europaallee), Winterthur (Sulzer-Areal), Bern (Wankdorf City) and Biel (Champs-de-Boujean). Each project aims to create new neighbourhoods in previous industrial zones to increase urban density and quality of life. Using process-tracing based on documents analysis and face-to-face interviews, I am able to identify different governing coalitions in each city.

Included in the SNF Project "Power in the city: the renewal of regime politics in Swiss metropolises", this paper leaves out the classical institutional view based on the three levels of federalism and addresses the issue of urban power in Switzerland which has been overlooked since Bassand and Fragnière's book *Le pouvoir dans la ville* in 1978.

References:

- BASSAND, Michel and FRAGNIERE, Jean-Pierre, 1978. *Le pouvoir dans la ville. Essai sur la démocratie urbaine*. Vevey: Delta Editions, 221p.
- BORNER, Silvio, 1997. «Die direkte Demokratie: Ein schweizerischer Balanceakt zwischen direktdemokratischer Partizipation, staatlicher Handlungsfähigkeit und "rule of law"». In: BORNER, Silvio und Hans, RENTSCH (Hrsg.) *Wieviel direkte Demokratie verträgt die Schweiz?*, pp. 13-24.
- ELKIN, Stephen, L., 1987. *City and Regime in the American Republic*. Chicago: University of Chicago Press, 220p.
- HORBER-PAPAZIAN, Katia, 2006. "Les communes". In: KLÖTI, Ulrich, KNOEPFEL, Peter, KRIESI, Hanspeter, LINDER, Wolf, PAPADOPOULOS, Yannis und Pascal SCIARINI, *Handbuch der Schweizer Politik*. Zürich: NZZ Verlag, pp. 233-258.
- KATZENSTEIN, Peter J., 1985. *Small states in world markets: industrial policy in Europe*. Ithaca: Cornell University Press, 268p.
- KÜBLER, Daniel, 2006. "Agglomerationen". In: KLÖTI, Ulrich, KNOEPFEL, Peter, KRIESI, Hanspeter, LINDER, Wolf, PAPADOPOULOS, Yannis und Pascal SCIARINI, *Handbuch der Schweizer Politik*. Zürich: NZZ Verlag, pp. 259-286.
- LIJPHART, Arend, 1999. *Patterns of democracy: government forms and performance in thirty-six countries*. New Haven : Yale University Press, 351p.
- MOSSBERGER, Karen, 2009. "Urban Regime Analysis". In: DAVIES, Jonathan, S. and David, L., IMBROSCIO (Ed.). *Los Angeles: Sage Publications*, pp. 40-54.
- SCHALTEGGER, Christoph, A., SOMOGYI, Frank and Jan-Egbert, STURM, 2011. "Tax competition and income sorting: Evidence from the Zurich metropolitan area". *European Journal of Political Economy*, Vol. 27, pp. 455-470.
- STONE, Clarence, 1989. *Regime Politics: Governing Atlanta 1946-1988*. Lawrence: University Press of Kansas, 314p.
- STONE, Clarence, 2005. "Looking Back to Look Forward: Reflections on Urban Regime Analysis". *Urban Affairs Review*, Vol. 40 (3), pp. 309-341.

3. Theorizing positioning strategies of secondary capital cities: Forerunner Washington D.C., Laggard Bern?

David Kaufmann, Center of Competence for Public Management, University of Bern, david.kaufmann@kpm.unibe.ch

Capital cities that are not the economic centers of their nations – so-called secondary capital cities – tend to be overlooked in the field of political science. The rise of transnational institutions, the ascendance of global cities, and the increasing concentration of the knowledge economy in a few dominant metropolitan centers, challenge the traditional role and centrality of capital cities. Secondary capital cities are struggling particularly with the increased urban competition, because they lack the economic functions of more established commercial cities or multi-functional capitals. Thus, theorizing secondary capital cities have been largely neglected. To address this lack of research, this study proposes a tentative theory linking the specific economic dynamics of a capital city with the ways in which these secondary capital cities position themselves in global and national urban systems.

This research project is interested in how these secondary capital cities position themselves in the national urban system and what corresponding political strategies they employ in the multilevel political and economical setting. Furthermore, this paper examines how the interaction between public and private sector influences the positioning activities of secondary capital cities? Given the early stage of this research project, this paper is mostly concerned with theoretical and methodological issues. However, data from Bern and Washington D.C. complement and illustrate the theoretical propositions. The positioning strategies of the two unit of analysis are exposed and compared to shed light on the particularities of secondary capital city's political economy. Of particular interest is if Washington D.C. as the flagship of secondary capital cities offers insight and lessons to learn for Bern.

In order to cope with the characteristic of urban policy-making in secondary capital cities, this project links the framework of the Actor-Centered Institutionalism (Mayntz and Scharpf 1995, Scharpf 1997) with regime theories (Stone 1989, May and Jochim 2013) out of two conceptual reasons. First, the research framework should account for the variation of external pressures (structure) and focus on how the relevant actors are engaged in mediating these pressures (agency) in the formulation process of positioning strategies (outcome). Secondly, it is inevitable to incorporate public and private actors in the research framework since the interactions of these entities are heavily intertwined and have the potentially to create a distinctive Regional Innovation System specifically located in capital city regions.

4. Institutional Constraints, Party Policy Conflict and Coalition Formation in Multilevel Systems: Evidence from the German Local Level

Marc Debus & Martin Gross, University of Mannheim, marc.debus@uni-mannheim.de, martin.gross@uni-mannheim.de

While the analysis of programmatic strategies of parties and their impact on the political process has become a major research topic in comparative politics, there are, however, only few attempts that take a closer look at patterns of party competition at the local level. One reason is that local politics often is assumed to be less ideological and more pragmatic in terms of political decision-making. In this paper, we answer the question to which degree parties on the local level 'copy' patterns of party policy conflict that exist in multilevel systems. In a second step, we analyse the determinants of coalition formation on the local level. In addition to 'classical' office- and policy-seeking variables, we are also incorporating the local institutional setting and the constraints on local coalition politics emerging from patterns of party competition at the regional level. Our analysis is based on a new dataset that covers information on the polity positions of local parties and independent local lists in the cities of the German state of North Rhine-Westphalia on the basis of their election manifestos. We are covering the time period from 1994 to 2012. Furthermore, we incorporate information on the local election results and institutional characteristics like the possibility of 'cohabitation' between the local council coalition and the directly elected mayor, as well as information on ministerial portfolio allocation on the regional level. The results show that policy positions of local parties in the economic dimension as well as office-seeking reasons and institutional constraints are good predictors for local coalition formation at least in German cities.

5. Explaining communal merging in Swiss urban landscapes: the City of Lugano

Oscar Mazzoleni & Andrea Pilotti, OVPR, Université de Lausanne, oscar.mazzoleni@unil.ch and andrea.pilotti@unil.ch

Since the 1970s, several countries, including Switzerland, have been experienced relevant territorial and demographic transformations, which leads to an increasing urbanization. One of the main consequences of that transformation is a wide gap between institutional and functional spaces (e.g. Dafflon and Ruegg 2001: 15-17). In order to fill this gap, new urban conglomerations policies, but also attempts to communal merging have been implemented (e.g. Kübler 2005). Although communal merging is a widespread process adopted already during the Sixties and the Seventies in many European countries (Conseil de l'Europe 1995: 10-11), in Switzerland it occurs only in the recent decades. Moreover, in the latter case, we observe that the merging of cities are rather rare (Horber-Papazian & Jacot-Descombes 2013: 37). However, there were exception, like the

city of Lugano. Thanks to the merging process achieved in three phases (2004, 2008, 2013), involving 20 communes, Lugano becomes the ninth largest city in Switzerland in terms of population and the second largest urban city of the country, after Zurich, in terms of territorial extension. How can we explain this merging process? Adopting an explanatory model that includes several factors (economic, institutional, administrative and political), we will emphasise the multilevel institutional inter-play (between cantonal and communal) and the crucial role of local coalitions and political leaderships.

Bibliography

CONSEIL DE L'EUROPE (1995). *La taille des communes, l'efficacité et la participation des citoyens*. Strasbourg: Les éditions du Conseil de l'Europe.

DAFFLON, Bernard and Jean RUEGG (2001). *Réorganiser les communes, créer l'agglomération*. Fribourg: Editions universitaires de Fribourg.

KÜBLER, Daniel (2005). *La métropole et le citoyen. Les agglomérations urbaines en Suisse vues par leurs habitants*. Lausanne: PPUR.

HORBER-PAPAZIAN Katia and Caroline JACOT-DESCOMBES (2013). « Réformes territoriales et gouvernance » in VODOZ Luc, Laurent THVOZ, Prisca FAURE (sous la dir.). *Les horizons de la gouvernance territoriale*. Lausanne: PPUR, pp. 29-44.

6. Fewer, Bigger, Stronger? The Political Consequences of Local Government Mergers in Switzerland

Sean Mueller, University of Berne, sean.mueller@ipw.unibe.ch

Over the past decades, Swiss municipalities have increasingly merged amongst each other – sometimes encouraged by their canton, sometimes under pressure from below, sometimes both. While the literature generally assumes both more efficient service delivery and more legitimate political structures to be the result of such inter-local mergers, political consequences have received only scarce attention. However, while increased population size leads to a (re-)politicization of social interaction at the local scale (more political parties), also the weight at the cantonal and possibly even the federal level can be assumed to be heavier. This paper advances the hypothesis that in a situation where there are fewer but bigger local governments, the political influence of municipalities increases accordingly. A longitudinal comparison of the canton of Glarus, where a radical decrease in the number (from 25 to 3) and corresponding increase in the population size of local governments took place in 2011, serves to illustrate the micro-processes at play: where, why and how does influence increase? Comparative reflections on similar evolutions in other cantons highlight the need to pay more attention to the eminently political relations between different levels of government in federal systems such as Switzerland.

7. Fiscal policies in federal countries during times of crises

*Christian Ruiz and Philipp Trein, University of Lausanne,
christian.ruizpalmero@unil.ch and josephphilipp.trein@unil.ch*

The global financial and economic crises as well as the following debt crisis pose specific problems for federal countries. Demand stimulation and consolidation policymaking has to deal with coordination problems between the federal government and the member states of the federation. This might lead to changes in the power relations of the federal government and the constituent units, especially in times of crises. In this paper, we want to contribute to the understanding of these dynamics. Prior research on the effect of crises on federal relations shows that the demand crisis, as well as the debt crisis, leads to changes in federal dynamics – opportunism of member states, temporary reduction of discretion of constituent units and/or authority migration to the central government, as well as desolidarisation amongst the members of the federation. It is, however, less clear how these three forms of federal dynamics relate to each other. What is more, the literature has not !

yet included the effect of political safeguards, i.e. institutional or partisan arrangements, to an analysis of federal fiscal policies.

With this paper, we want to better understand how exactly the two crises influenced the relations of the central government and member states. Our main research question is, under which conditions stimulation or consolidation policies lead to opportunistic behavior, and, subsequently, to centralization of responsibilities and/or, to desolidarisation? In addition to previous research, we add institutional and partisan safeguards as explanatory factors. Using fsQCA, we show that set-relations exist not only by single conditions but also in conjunctural causation. Hence, our analysis improves our understanding of the connections between both crises, for instance by showing that opportunism during the demand crisis has a considerable impact on desolidarisation and centralization during the debt crisis.

8. The political economy of formula-based transfers: evidence from the Swiss cantons

Fabio Cappelletti, University of Geneva, fabio.cappelletti@unige.ch

According to the normative theories of fiscal federalism, equalization transfers are required to reduce existing horizontal fiscal imbalances. However, a large literature in the public choice tradition observes that the attribution of these transfers happen in a political economy context in which the bargaining between political actors strongly determines the distributive outcome (Grossman 1994, Ansolabehere et al. 2001, Pitlik et al. 2001). On the one hand, politicians may have electoral interests in rewarding their own constituencies in order to enhance their chances of reelection. On the other hand, political parties may

direct these transfers toward their electoral feuds. Thus, an important political discretion in the attribution of equalization transfers could weaken the coherence between normative aims and concrete outcomes.

The existing literature is focalized on the so-called discretionary equalization transfers, i.e. transfers which existence and amounts directly depends from a periodical political decision. Contrariwise, fiscal equalization transfers based on pre-determined formulas have been disregarded because expected to be massively less influenced by political discretion. However, as observed by Khemani (2007), formula-based transfers may have a limited success in curbing political influence. This is caused by the fact that such formulas have to be adopted through the ordinary political decision-making process. Thus, as every other public policy, their aims and instruments could be constrained by the existing balances of power between the concerned political actors.

The Swiss cantons systematically use formula-based transfers for fiscal equalization in favor and between their municipalities. These cases offer ideal data to investigate the impact of political factors on formula-based equalization transfers. All of them have profoundly reformed their fiscal equalization schemes in the last ten years (Mischler and Dafflon 2003). In addition, the reform adopted in 2004 of the federal fiscal equalization between the Confederation and the cantons represented an important benchmark for these reforms. However, important differences in the cantonal schemes could be identified. The proposed paper will investigate whether political factors determine the content of cantonal fiscal equalizations. Concretely, the relevant differences between the cantonal fiscal equalizations will be coded and analyzed with linear and multinomial regressions involving political explanatory variables.

References

- Ansolabehere S., A. Gerber and J. Snyder (2002). Equal Votes, Equal Money: Court-Ordered Redistricting and Public Expenditures in the American States. *The American Political Science Review* 96(4): 767-777.
- Grossman P. (1994). A political theory of intergovernmental grants. *Public Choice* 78: 295-303.
- Khemani S. (2007). The Political Economy of Equalization Transfers. In R. Bahl, J. Martinez and R. Searle (eds), *Fiscal Capacity Equalization and Intergovernmental Grants*, Springer: 463-484.
- Mischler P. and B. Dafflon (2003). Der interkommunale Finanzausgleich in der Schweiz: Ein Überblick über den direkten Finanzausgleich der Kantone. *Bulletin de legislation* 3: 16-45.
- Pitlik H., G. Schmid and H. Strotmann (2001). Bargaining power of smaller states in Germany's Länderfinanzausgleich 1979-1990. *Public Choice* 109: 183-201.