EL COLEGIO DE MÉXICO

CEDUA Centro de Estudios Demográficos Urbanos y Ambientales

CENTRO DE ESTUDIOS DEMOGRÁFICOS URBANOS Y AMBIENTALES

No. 7

MEGACITIES, METROPOLITAN AREAS, AND LOCAL GOVERNMENTS: THE MEXICAN EXPERIENCE

Documentos de investigación

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El Colegio de México
Centro de Estudios Demográficos,Urbanos y Ambientales
México, D.F; Junio de 2012
Documento preliminar para discusión.

Megacities, Metropolitan Areas, and Local Governments: The Mexican Experience[1]

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INTRODUCTION

During the second half of the twentieth century, most countries experienced exceptional demographic growth, while some traditional cities underwent physical expansion, overflowing their historical jurisdictional boundaries. A quantitatively and qualitatively new urban form, the metropolis, became the locus of economic, social, and cultural life for over half the urban population in both developed and developing nations. It produced a continuous urban landscape that was socially differentiated and administratively fragmented. Since federal systems recognize the lower level of government (e.g., municipalities, counties) as the basic jurisdictional unit, various questions should be answered in order to determine the advantages and disadvantages local governments offer in terms of efficiency, flexibility, local democracy, and power of election:

1) How can one respond positively to necessary intergovernmental relations (vertical and horizontal) in a metropolitan context?

2) How should demographic, social, and economic differences be handled between local governments within a metropolitan region?

3) How ought the necessary channels be established to enable all local stakeholders to participate in the local public decision-making process?

This paper provides some preliminary answers to these questions and other related issues, referring when appropriate to Mexican examples, and is divided into eight sections in addition to this introduction. The first describes the way cities are classified by size and function. The second raises the question of metropolitan fragmentation; the third one attempts to determine what is at stake in public local administration and management; the next presents some ideas on local public services. Municipal finances issues are treated in section five and provide information on decentralisation tendencies and the capacity to generate local revenues. The next touches the idea of governance while the next to last section touches on some basic issues in public participation. Finally, the last one presents some conclusions. A list of references is included at the end.

1. NEW URBAN FORMS

The period from 1950 to 1990 was characterised by population growth and a parallel urbanisation process by which urban areas spread out beyond the jurisdictional limits of original human settlements. Known as metropolitan growth –in which urban agglomeration involves various neighbouring administrative jurisdictions–, this process has marked the landscape, affected the role of local and city governments, and modified the territorial organisation of most countries. The economic, political, and social impacts of these processes have attracted considerable attention and new terminology has emerged and been coined to describe these urban phenomena.

On the question of *size*, cities with at least a million inhabitants are referred to as *millionaire cities*, while those with over 10 million inhabitants –or simply over 8 million, the size of London and New York in the 1950s– are conventionally classified as *megacities*. Geographically, these urban agglomerations could be described as *metropolitan areas*. A metropolitan area includes one central city and a set of political-administrative units (municipalities) that are incorporated if the continuous urbanized area covers part of their territory.

The term *function* refers to a *metropolitan zone* in which a local jurisdiction is included if it engages in interaction with the central city or with an area already considered part of the metropolis. This interaction becomes relevant when it reaches a conventionally defined percentage of the labour force living in the local jurisdiction and working in the metropolitan zone to which it is geographically linked. Thus, the region in which the city is located becomes a potential *hinterland* functionally dependent on the central city, and therefore any metropolitan zone demarcation is only temporarily valid and able to incorporate additional neighbouring jurisdictions. It is also important to point out that the geographical delimitation of metropolitan zones based on social, economic or environmental phenomena rarely coincides with the political-administrative definition.

According to these interaction criteria, it should be clear that even a small city (conventionally defined as having over 50 000 inhabitants) attracting a proportion of workers from a surrounding local jurisdiction can be considered a *metropolitan zone* and also –but not necessarily– a *metropolitan area* providing that the criteria of continuous urbanised area are met.[4] A *city region* (or *metropolitan region* if at least two jurisdictions are involved) becomes a recognised functional unit if the population and economic activities in its hinterland, and the towns located within it, are dependent on the central city. Strong economic complementarities between cities will form a *system of cities* and define a *functional region*.

Two or more functionally interrelated, contiguous metropolitan zones will be considered a *megalopolis* –a Greek term adapted by French geographer Jean Gottmann in the 1960s to describe the discontinuous urban complex on the northeastern seaboard of the United States (Gottmann 1995:3). The terms *world city* –oddly enough, coined by Patrick Geddes in 1915 as recognized by Peter Hall in 1966 and reformulated by Friedman (1986, 1996)– and *global city* –used by Saskia Sassen (2001)– refer to urban agglomerations in which the location of transnational firms' command functions and related activities play an important role in the context of the global economic order. The three main global cities by definition are New York, London, and Tokyo, but others could also be included as members of this club.

Additionally, even smaller cities (between 10 000 and 50 000 inhabitants) can be jurisdictionally fragmented. In this case, the United States Office of Management and Budget (2000) identifies a category called *micropolitan areas*. Rather than going into further detail, it is probably more useful to insist on the complexity of the geographic phenomena that have a bearing on the achievement of environmental, economic, and administrative objectives. The demographic side is too important to be ignored. During the next half century, when the world's population will reach a limit due to a drastic reduction in both birth and death rates –known as the *demographic transition*–, most megacities, millionaire cities, metropolitan areas, and megalopolises will be located in countries in the underdeveloped or developing world. Over half the world's total population is expected to be concentrated in these large agglomerations. At the beginning of this century, 500 million people, almost one out of every ten inhabitants in the world, was already living in 35 megacities, 20 of which were in Asia, 2 in Africa, 10 in America, and 3 in Europe (Figure 1).

The profusion of these huge urban agglomerations with a metropolitan area status poses a challenge to federal orders, at least in terms of adequate institutional arrangements ("metropolitan governance"), subsidiary functions ("who does what, where"), and fiscal federalism ("income autonomy/dependency of local governments and/or metropolitan areas"). In the last 15 to 20 years, economic (and cultural) globalisation, on the one hand, and the idea of place and locality, on the other, have triggered new urbanisation processes, and a necessary recognition of novel ways to administer and manage these emerging urban forms rather than simply relying on the original institutional design. But there seems to be "no one answer," since variations in metropolitan structure and governance reflect national values and processes.

2. FRAGMENTED METROPOLISES

Most urban agglomerations comprise a vast geographic area and population, and are spatially dispersed but not necessarily with low densities; socially, economically, and politically complex and diverse; structured in densely, sometimes congested interactive networks involving flows of information, goods, people, values, and money; highly polarized, reflecting income and well-being differences; administratively and politically fragmented; spatially imbalanced in terms of economic and social infrastructure; functionally specialized in terms of local activities; and socially heterogeneous.

Technological and economic exchanges resulting from recent transformations in the world economic system have triggered social and spatial trends affecting all the world's urban regions. But whereas in developed countries the core concentrates business activities and mainly houses the poor –while the rich have settled in the outer suburbs–, in developing countries, a wealthy core is usually surrounded by the poor living mostly in illegal settlements. Under the current geographical and economic conditions, metropolitan regions have developed into complex territorial units. As such, they are functional units, while at the same time they suffer from spatial, social, and administrative fragmentation.[5] Given these salient characteristics, what criteria should be used to assess basic alternatives in terms of public administration responses? In theory, institutional arrangements may be positively evaluated both structurally and functionally if the following criteria are met or enhanced:

i) *efficiency*: ability to capture economies of scale and scope in service provision and financing;
ii) *externalities*: containment of local service spillover effects;
iii) *redistribution*: ability to achieve "distributive justice" in the allocation of social benefits and costs over a multiple set of differentiated jurisdictions;
iv) *responsiveness*: extent to which localized variations in consumer demand are met;
v) *accessibility*: access by users to service provision;
vi) *accountability*: degree to which decision-makers can be held politically responsible for the impact of their decisions.

In fact, in conventional terms, policy analysis literature sees these criteria as *efficiency* and *equity*. But what problems are these new urbanization trends creating in terms of government responsibilities at the local level? Interrelated, interlinked questions include the following: How can problems be managed? How can metropolitan areas be governed? How are organized civil society and citizens responding?

There is obviously little agreement over what the key issues are, how to proceed, and whether to adapt local governments to the new urban geographies summarized above. In general, there are two basic kinds of responses (Sharpe 1995:12-14): 1) those of an *institutional* nature, in other words, grounded on strong provisions involving ad hoc institutions, and 2) those involving *cooperation* that are the result of agreements between different institutions, but do not substantially modify the current model of governance.

Institutional responses to the challenge of metropolitan government can be divided into two models: unitary and two-level or two-tier. A unitary government may be established by extending the boundary of the core city authority to cover the metropolis either totally or partially. International experience shows that *unitary metropolitan government* is more of an exception than a common solution. The paradigmatic example of this is Metro Toronto, where the creation of an authority known as the City of Toronto in April 1997 by the Province of Ontario abolished existing municipalities.

Unitary governments have been severely criticized in at least three ways: 1) it has been argued that they are not viable for most metropolitan areas due simply to reasons of scale; 2) empirical evidence is cited as having failed to prove this government option to be less expensive (Fischler & Wolfe 2000; Stephens & Wikstrom 2000); 3) civil organizations consider that their rights have been violated by the disappearance of small-scale local government, as in Metro Toronto, where the main criticism focuses on the fact that the Ontario government has no legal authority to abolish local governments because it does not own them: these governments exist to provide local democracy for local residents (Boudreau 2000:174).

The second institutional model, known as *two-tier,* consists of a way to enable local governments to coexist with metropolitan authorities. In this case, the model seeks to resolve the conflict between local values of identity and participation, while on the other hand, it attempts to solve the problems inherent in efficiency in metropolitan terms (Sharpe 1995:18). Examples of this system include Montreal where, in 2000, the Province of Quebec created the Communauté Métropolitaine de Montréal, an authority comprising municipalities with power over issues such as land-use planning, public transport and the metropolitan arterial network, economic development, and waste management planning.

This model is also known as supra-municipal or meso government, because it attempts to create an intermediate government authority between municipal and state or federal governments. One of the main drawbacks of this model is function distribution, since it implies a loss of power by local governments, from which the metropolitan authority usually takes away certain functions (Sharpe 1995:19).

The cooperation model corresponds to a government with indirect legitimacy that relies on already elected government officials. It seldom has financial autonomy since it is financed by the government departments that created it and, thus, the matters over which it has authority are defined by agreements between the state or provincial government and the municipalities or, rather, between municipalities.

On the basis of public choice models, some authors consider that competition between local governments backed by cooperation mechanisms may provide positive results, given that in most instances, big government implies monopolies that encourage "institutional rusting" (a term first used by Christopher Lovelock in 1994) and the strengthening of bureaucracies with no benefit to the population. They therefore support the existence of a regulatory framework that promotes and enables cooperation instead of inhibiting it.

In short: in terms of *efficiency*, *externalities*, *redistribution*, *responsiveness*, *accessibility*, and *accountability*, the literature shows no conclusive difference between existing models of governance (Stephens & Wikstrom 2000; Feiock 2004).

As a principle of local governance organisation, neither consolidation nor fragmentation is ideologically or politically neutral. In fact, in the American tradition, the idea of small autonomous local governments finds strong historical advocacy, but the argument in terms of the role of the State is a permanent political-philosophical debate between Locke –who saw the State as subservient and subordinate to individuals and a means for enhancing and protecting property– and Hobbes –for whom the State was designed to protect man from himself and his neighbours and thus had few limits. In between there are various alternative models for governance. In the context of metropolitan regions, the tendency is to respond to physical expansion, urban development, and service needs beyond municipal boundaries. And while one position favours the creation of larger government units and service districts covering the metropolitan area, the other prefers to retain smaller units for both government and servicing.

In both cases, international experience shows that metropolitan functions comprise strategic planning, arterial roads, public transport, regional public buildings, water supply and sanitation, solid waste management, police, and environmental protection.

The case of São Paulo, Brazil, with 18 million inhabitants and 39 municipalities, is a good but limited example of effective metropolitan government where the very different local authorities act collectively in a coordinated fashion. One such authority is the *Câmara Regional do Grande ABC* covering an area with a strong political identity and over two million people. Although this is only a limited initiative to create a sort of sub-regional government aimed at improving economic conditions in the area, its success is also limited due to problems involving duplication of efforts and lack of coordination and financial resources, weak administrative and technical knowledge and, most importantly, the absence of an institutional framework, which makes the whole experience dependent on the political will of local authorities to implement policy decisions.

Mexico's capital city is yet another example. It is the second largest city in the world (after Japan's Tokyo-Yokohama Megalopolis), with a population of over 18 million in 2000. As a functional geographical unit, the metropolitan area includes the Federal District (DF, Distrito Federal), subdivided into 16 *delegaciones* or local jurisdictions functioning as an equivalent to local authorities, and as many as 58 municipalities in the neighbouring State of México and one in the State of Hidalgo. In addition to its government authorities, the DF, which contained the built-up area of Mexico City until the 1950s, houses the federal government powers (including all ministries and the other branches of the Executive). The head office of the DF, administered as a federal government agency until 1997, is now directly elected, and has a similar status to a state governor.

Already a metropolitan area in the 1970s, it reached mega city status when the outer sprawl intensified in the 1980s. Millions of daily commuters flooded the city's transportation network, travelling long distances and, what was even worse, spending hours getting to their jobs, now scattered over a vast megalopolitan region. In fact, the national capital became a complex regional megalopolis when, in the late 1990s, the Mexico City Metropolitan Area (MCMA) reached the metropolitan area of Toluca (the State of México's capital city), over 60 km (40 miles) west of the city centre.

Given these trends in this and, to a certain extent, other cities throughout Mexico, the federal government responded in the 1970s by creating commissions to control urban growth and for other necessary administrative coordination at the interstate level. The activities of the Commission for Conurbation in the Central Region of Mexico (focusing largely on the MCMA) virtually ceased in the 1980s, after having achieved limited results. It was replaced in the mid-1990s by sector-specific metropolitan commissions for human settlements, environment, public safety, waste disposal, water and sanitation, transport and roads, and civil protection. The DF and the State of México signed an agreement with the federal government. In 1998, a bilateral agreement to create the Executive Commission for Metropolitan Coordination was signed between the DF and the State of México as a more comprehensive framework for coordinating, evaluating, and monitoring plans, programs, and actions within the metropolitan territory of the Valley of Mexico. All these experiences failed to achieve significant results, due largely to their voluntary nature, since none of the signatories is obliged to fulfil its commitments.

These efforts are obviously not unique. Many examples around the world combining different models (consolidated unitary metropolitan government or fragmented with voluntary or induced cooperation and associational schemes) are successfully in place in an effort to manage metropolitan functions and growth. A parallel evolution for the two largest metropolitan areas in Mexico (the GMA, or Guadalajara Metropolitan Area, and the MCMA, or Mexico City Metropolitan Area) is synthesized in Figure 2.

Within the context of a federal system, the administration and management of metropolitan regions begs for strong intergovernmental relations (IGR), horizontally between government entities at the same territorial level and vertically between national, state, and municipal orders. This need for coordinated public policies must be met within a largely federal system in which local governments are free and sovereign by law, since they are entitled to draw up their own legal system provided it does not contradict the federal one. Even if the federal system's characteristics guarantee autonomy, relationships between government spheres may occur in three different forms (Stromme 1999:13-17), namely: *dual federalism*, based on the division of power, authority, and function between the various government spheres, considering that power is *autonomy* and that responsibilities are *separate*, thereby eliminating the possibility of overlap; *functional federalism*, which considers that power relations between different levels must take place in a *hierarchical* form and that responsibilities should be organized according to their *specialty* or sector; and *multi-centred federalism*, which implies that public issues must be addressed through a mix of complex attributions in keeping with reality. Responsibilities are contemplated as something *shared*, where decision-making must take place through dynamic processes.

3. LOCAL ADMINISTRATION AND MANAGEMENT

In the context of the “reinventing government” movement, the study of administration, management, and public policy became either fragmented and/or neglected; given the growing social complexity, it no longer had the impact on decisions that had prompted the development first of public administration and subsequently of public management. There was awareness that local government could do its share, but without effective partnerships, it would not be able to achieve the results being sought; close, active partnerships with nongovernmental parties would be required to achieve its aims. But why is it in local authorities’ interests to do just that?

Local authorities’ main purpose is to improve social well-being by supplying public goods and services, but also to create conditions for economic development. So in referring to fragmented metropolitan structures, we are essentially thinking in terms of the geography (the influence of space and location) of local administration and, specifically, three essential issues: 1) size and shape of the administrative areas used in the delivery of public services; 2) interactions between the areas; 3) the spatial allocation of public services among and within areas. The first two necessarily refer to IGR. The third includes the additional problem of location-allocation models: the determination of optimal locations of central facilities in order to minimize movement and other costs (Johnston et al. 2000:467).

There is a valid distinction between public administration –as related to establishing hierarchy and authority boundaries– and public management –promoting and limiting the exercise of governmental power and coordinating different agencies (and agents) and programs in service integration. In this sense, public administration is also about managing –both promoting and limiting– the exercise of governmental power, in other words, the “what” and “how” and, no less importantly, the “who” and “where,” as will be clear from the next two sections.

The preceding concepts (Kettl 2002:21) are certainly relevant to analyzing a metropolitan region. An internal system of subdivisions and an associated distribution of administrative functions –not only at the national level– concerns emotional and political links between peoples and places (Muir 1997:146-147). In a context of ethnic and cultural diversity, in a highly heterogeneous metropolitan region characterized by cultural, political, and ideological, as well as socio-economic and demographic, not to mention geographic and ecological differences, the goal of federalism –i.e., the development of institutions that balance centrifugal and centripetal forces within the State– is evinced. As Padisson (1983, cited in Muir 1997:152) questioned: How can one assemble the separate and diverse areas and interests into an effective whole?[6]

4. LOCAL PUBLIC GOODS AND SERVICES

In a metropolitan context, local authorities face various challenges when attempting to deliver public goods and services. By definition, "pure" public goods, regardless of whether they are produced by public entities or by private contractors, are non-divisible, non-rejectable, and non-excludable. But there are very few in this category due to the difficulties of ensuring equal provision. Most public goods and services are "impure" since they are provided locally at fixed locations or along established routes in which provision declines as distance increases, meaning that they are related to accessibility and, therefore, that location becomes an issue. Aside from location, another "impurity" relates to density of provision. Local governments usually supply these services and provision differs as regards to how much is spent on a service. Moreover, the scale required to achieve viability in providing a service affects the decision as to whether or not a service is offered by a local government.

Geography (space) matters in terms of access to public goods and services, due to:

i) Jurisdictional or territorial fragmentation (including, among other aspects, economies of scale in the production of public goods and services), i.e., consequent inequalities or "tapering effects" ("distance-decay effects") in service provision levels between these areas;[7]

ii) Fixed location of certain public services;

iii) Externalities (negative or positive) generated by the presence of a service in a fixed location (parks, hospitals, libraries, highways, etc.) or in terms of differences in service provision between areas due to historical, political or organizational factors, imposed upon them by desirable or undesirable aspects of service infrastructure, since locating services has an as yet unproven impact on other neighbourhood areas.

Coordination problems must be solved, so IGR based on trust between municipalities (regardless of whether they are contiguous), between state and municipalities, and between the latter and federal government are essential for efficiency, equity, and distributive justice.[8] This means that no matter what area people live in, a fair territorial income distribution would be secured to meet local needs. This, of course, poses the problem of minorities and special merit cases, another argument in favour of local differentiation. In some cases, especially those associated with welfare policies, states rather than municipalities are the best units of government for internalizing spillovers. These might be cost-side spillovers, when significant mobility of lower-income families occurs between cities and within metropolitan regions, or benefit-side spillovers, where there are possibilities that the population in neighbouring areas will benefit from measures aimed at groups in adjacent municipalities (Inman & Rubinfeld 1997:59).

Efficiency problems in the provision of public goods and services at the local level are related to: a) duplication of public services and urban infrastructure when each municipal authority trying to fulfill its responsibilities feels compelled to provide all possible services, albeit in an inefficient or partial manner; b) the fact that, in order to be efficiently produced, some of these services will have to reach a certain scale to be economically viable, meaning that some municipalities will be at a disadvantage due to their population size; and c) cases in which, due to excess demand for a public service by the neighbouring population, neither they nor the consumers to whom the service is offered will benefit, since quality and quantity levels are affected by demand pressures, not taken into account originally.

Problems of *equity* are inevitably related to financial matters, since quality levels of public services vary between jurisdictions. Thus, needs remain unmet, since the tax base of a poor municipality is not large enough to secure the provision of the service at the level and of the quality expected.

Lastly, it is not possible "to do the job" even with enough resources when there is a lack of coordination within local government or between local authorities. The provision of certain public services –as mentioned above– requires a degree of coordination, if not a formal body. Are environmental control, metropolitan transportation, and solid waste management to be regulated at an intergovernmental level by a metropolitan governmental entity or by an ad hoc commission? That is a major question. But all these problems will not be properly tackled if local authorities are unable to increase their material, financial, and human resources.

5. FISCAL FEDERALISM AND MUNICIPAL FINANCES

The link between sub-national inequalities and fiscal federalism is significant. A good example is Mexico, a country with enormous regional disparities (Graizbord & Aguilar 2006). In 2000, its central and northern states enjoyed twice the per capita income of the southern states. The most dramatic difference was between the Federal District per capita income and that of the remaining states, which was 1.4 times that of Nuevo León, the second richest in the country, and six times that of Chiapas, the poorest. This tendency seems to have been on the rise since the 1980s, as empirical evidence from various studies shows (Barriga & Vázquez 2006:834).

In Mexico, approximately 50 per cent of regular federal income is transferred to the states every year, accounting for approximately 85 per cent of their total annual income. This is equally true for the municipalities. For some poor rural municipalities, federal transfers and subsidies (called *participaciones federales*) constitute over 80 per cent of their income, while the total federal funds transferred to municipal units represent no more than 6 per cent of annual federal tax revenues.

It is important to recognize, however, that national programs such as *Solidaridad* (PRONASOL), launched by the Salinas Administration in 1988, and more recently *Oportunidades*, an offspring of the Fox Administration (2000-2006), as well as efforts towards transparency and accountability –insisted upon by the present federal administration (2007-2012) headed by Felipe Calderón– have been instrumental in supporting an increase in the total income being targeted to, but also being collected by local authorities.

In some cases, urban municipalities have been able to break away from this dependent situation, either by increasing local property taxes, improving tax collection, or raising public utilities charges, mainly for water and sanitation (Sour 2004:746). In fact, paradoxically, federal transfers have discouraged urban municipalities from augmenting their local revenues, particularly in Mexico City's larger metropolitan municipalities.

In general, the system has encouraged biased results favouring states rather than municipalities. Furthermore, while reducing the proportion of total allocations targeted to the Federal District from 23.4 per cent in 1980 to 12 per cent in 2000, it only favoured states with consolidated urban markets as opposed to those with a predominantly agricultural economic base (Ortega 1994:85). It is therefore reasonable to conclude that this fiscal instrument, while responding to decentralisation principles, failed to reduce regional inequalities over the past two decades at the same time as the resources directed to and generated by local authorities experienced a real increase. In fact, during the period from 1998 to 2009, total municipal income increased more rapidly than that of the Federal District, which until 1997 had been exactly the same as that of all municipalities. On the other hand, the municipalities' total income grew in absolute terms, at the expense –in relative terms– of the Federal District's, and despite the slow growth of the country's GDP (Figure 3).

Decentralisation efforts, however, have greatly increased the proportion of local governments' revenues in relation to the country's GDP (from 0.22 percentage points in 1989 to 4.34 in 2009) and, at the same time, have shifted the balance between the Federal District and the rest of the municipalities, from 0.11/0.11 in 1989 to 1.42/2.91 in 2009, respectively (Figure 4).

Whereas it is true that expenditure on public services which maintain and enhance the city are largely the responsibility of local governments, the nature and scope of local government functions depends not only on the size of their population but also on the degree of autonomy they enjoy in the political system. In fact, the weight of federal allocations is such that local authorities are subject to state and federal government priorities, while at the same time, state and federal executive branches may exercise their discretionary powers to allot funds as well as investments to certain municipalities (Rodríguez 1999:255).

A different picture emerges when local authorities are able to generate direct revenues within their jurisdiction. In a comprehensive study examining governance issues in metropolitan areas in the United States, a two-dimensional scale to identify competitive positions of municipalities in metropolitan regions was proposed. On one axis, it measured the way a citizen as a "voter" would see the rate of taxation affecting him/her and, on the other, the appreciation he/she might have as a "consumer" of the resources available. The case of low taxes and high available resources was regarded as ideal, while the opposite was considered undesirable, but the other two possible cases in this model seemed paradigmatic and could therefore be applied to other contexts. Taxation rates, together with public service availability and provision, are highly differentiated in the metropolitan context. Some municipalities are characterized by low and others by high taxation, and some by low and others by high availability of resources, and could therefore be attractive to certain citizens and trigger a process of metropolitan residential mobility where family units "vote with their feet." Local governments that are well placed on both axes change for the better more quickly than those that are under more pressure to increase their revenue via property taxes. This fact enables these municipalities to address their citizens' preferences in non-care services, i.e., goods and services that would enhance their "quality of life" without having to increase administrative overheads and the provision of basic services.

When evaluating local government performance as building blocks of a metropolitan region, the set of standards exemplified in the previous description would therefore include not only the efficient delivery of public services but, more importantly, the creation of a competitive region to attract human and economic capital. This is an effort that the present government of the Federal District is still engaged in, albeit incipiently.

6. GOVERNANCE

Governance has been a catchword in political theory and political science since the 1990s, and should also be so in public administration. It has become a central issue in the face of the salient complexities metropolitan areas bring to "the act or process of government." Some of these outstanding features have already been mentioned: metropolitan regions include vast geographical areas and population in a pattern of dispersed but not necessarily low-density expansion; they are massively complex with strong, dense networks of interaction, socially diverse, and economically polarized, with increased sub-area specialization; and they evidence great political fragmentation and increasing imbalances in infrastructure and social services affecting heterogeneous neighbourhoods, ethnic diversity, specialized commercial clusters, and diverse activity complexes.

Thus, governance is a way of describing the political, social, and administrative links between government and this broader environment (Kettl 2002:21-24), as well as the initiatives that governments deploy to shrink their size while at the same time meeting citizens' demands. Whereas "government" is the portion of the activity that acts with authority and creates formal obligations, "governance" relates to the process and institutions through which social actions occur, which might or might not be governmental.

Two broad uses of the term can be distinguished (Johnston et al. 2000:317). Governance is related to:

i) The nature of an organization;

ii) The nature of the relationships between organizations.

In the first sense, governance is a broader category than government; it questions the nature of the system, while acknowledging the difficulty of making the coordination of social complexities and the steering of societal development the sole responsibility of the State. In the second sense, it entails particular forms of coordination. In contrast to top-down control, it involves networks and partnerships. According to Rhodes (1997, cited in Johnston et al. 2000:317), four significant features are considered:

1) Interdependence between organizations covering state and non-state actors in a context of shifting and opaque boundaries;
2) Continuing interactions between network members, since there is a need to exchange resources and negotiate objectives;
3) Game-like interactions based on trust and regulated by rules agreed upon by network participants;
4) A significant degree of autonomy from the State, which does not occupy a sovereign position, but rather steers or directs networks indirectly and imperfectly.

In this context, there are a number of alternative models for the governance of metropolitan regions. One model, of course, involves *doing nothing*, while the other entails *privatizing* all or certain functions that cross local jurisdictions. In between, there are instances of centralization efforts and of maintaining the decentralized pattern of multiple local authorities.

This broad spectrum includes:

1) Centralization of power and administrative functions (service delivery)
2) Annexation of new or already built-up areas
3) Amalgamation or merger of city and suburbs, two or more adjacent cities, or city and county
4) Creation of regional authorities, either a single multifunctional one or several special- purpose agencies
5) Establishment of a formal, two-tier government structure with appointed or elected officials
6) Partnerships or associations (either voluntary or promoted, and ad hoc or permanent) between or among local authorities, between local and state governments, and between local authorities and private agencies.

The latter two appear to favour retaining smaller units for both government and servicing, while the first four support the creation of larger government units and service districts at the metropolitan level.

7. REPRESENTATIVE DEMOCRACY AND PARTICIPATORY CITIZENSHIP

An additional ingredient for metropolitan governance and democracy is active civic participation. Political representation and civic participation are two conditions of governance at both the local and metropolitan level. They are related to political equality and institutional development based on recognized democratic principles such as:

- Free, fair, and frequent elections
- Freedom of expression
- Free access by citizens to views other than those of officials (alternative sources of information) and
- Full freedom for political organizations to form and engage in political activity.

In this context, the two basic conditions/expressions of the relationship between those governing and those governed require due clarification.

Political representation. The degree to which civil society in general and neighbourhood organisations in particular are represented in city governments and bureaucracies, as well as how they are perceived and their demands considered by key decision-makers, are undoubtedly crucial in explaining different institutional arrangements and outcomes (Burnett 1984:339). This is necessarily an empirical question and begs for specific local studies, in which citizens' and social groups' practices could be effectively addressed. It is important to understand the need for political representation at both levels: local and metropolitan, although this is a less common concern in the latter.

Citizens' participation. In the context of a metropolitan region in which municipalities and states are governed by different political parties, the way neighbourhood organisations and their political participation in general are accepted will vary according to the ideological principles of local governance. But the possibilities of engaging in the planning process will also be different vis-à-vis how authorities, regardless of the party they belong to, understand the process and are open to innovative urban practices (Graizbord 1999; De la Peña 1998). Unfortunately, in some cases, the public-private divide is being understood more in terms of regulation, while the role of the community as a participant in the provision of services (especially in health care and education, but also in housing) is becoming less and less important. These trends should be kept in mind as a premise when analyzing metropolitan regions and the possibilities of coordination and cooperation between the various actors or stakeholders present, with different roles, at the neighbourhood, municipality, and metropolitan level.

8. CONCLUSIONS

The metropolitan administrative model and governance are controversial issues lacking consensus with regard to the best solutions, whether theoretical or empirical. Among the reasons underlying this, one should emphasize the fact that any metropolitan response implies a redistribution of public power, which generates resistance between different actors in the public sphere (Pérez-Torres 2002:63; Feiock 2004:4).

An additional obstacle lies in the attributes that characterize municipalities in developing countries. In the case of Mexico, for example, other functions related to the population's well-being are not necessarily the responsibility of the municipality despite the fact that those governing cities find it necessary to respond to the population's demand for services in the realms of education, health, housing, culture, and recreation and, to an increasing degree, environment-related issues. Town councils see themselves even less as playing a role in aspects associated with development. In particular, during the second half of the twentieth century, in municipalities in which urban growth –which has characterized large and middle-sized cities– has been a dominant factor, it is considered to be important to address the problems of social and economic development produced by metropolitan dynamics. Yet even so, there are structural conditions hindering the development of municipal administrations and limiting institutional, as well as political, economic, and social consolidation (Cabrero & Gil 2010:165-166).

Cabrero and Gil (2010) have presented a description of the historical evolution of management of municipalities in the case of one containing a middle-sized city (metropolis) in this country (San Luis Potosí) by means of analyzing the proceedings of town council meetings throughout the entire twentieth century. To facilitate their review, they classified them according to the issues addressed in the following agendas: municipal services, non-municipal services, municipal development, as well as the administrative, political, and legal agendas. We draw from their comments on this question for the purpose of highlighting the checks and limitations confronted by municipalities seeking to widen their strategic vision. Among the most conspicuous of these obstacles, they mention the following: rigidity and obsolescence of municipalities' institutional design, particularly urban ones; the fact that town councils continue to use traditional decision-making patterns which, as regards their mechanics, reflect "the limited ability for organising, preparing, and analysing the matters to be dealt with [which] subjects urban municipalities to structural weaknesses that keep them from tackling the problem of urban development in a professional, rigorous manner" and other "factors such as the intense turnover of middle- and high-level officials in municipal administrations, the prevailing party-centred logic of town council members, and the lack of appropriate mechanisms for ensuring intergovernmental and metropolitan cooperation..." (Cabrero & Gil 2010:144-146).

Moreover, we should mention the short period of just three years during which a municipal government is in office and the limited tax base of the majority of municipalities, which confines their own revenues through local tax collection. The problem is that, within the context surrounding urban growth and development in Mexico –with nearly 60 metropolises, close to 400 metropolitan municipalities, and at least 50 per cent of the country's total population concentrated in those municipalities–, there is an urgent need for a complete transition in terms of management and governance or, in other words, institutional development enabling them to meet expectations for economic and social well-being which are being achieved by cities in other parts of the world (Berry 2007; Pacione 2009).

Finally, another major hindrance to the creation of metropolitan governance models in federal countries involves the pre-existence of a political and administrative structure that was designed at a time when the metropolitan phenomenon was absent (Pérez-Torres 2002:52). New circumstances resulting from urban sprawl cast doubt on the former paradigm that failed to provide answers, which rather must be sought within the specific context of the metropolis. This goal needs to take into account the tension between metropolitan and local scales, now that the accepted and most influential trend is to empower local governance. Although a metropolitan reform requires the presence of strong local governments, the challenge lies in striking a balance between metropolitan agreements and meeting the needs of the local electorate. This may be achieved together with greater facilities for inter-governmental partnerships at all levels through a type of multi-centred federalism that improves local democracy and governance while, at the same time, ensures that broader agreements are built and materialized on the metropolitan scale.

Traditional paradigms of government and governance are insufficient for dealing with the problems of a qualitatively different kind of city such as the metropolis within a context of federal systems (with sometimes drastic differences between developed and developing nations) because its organizational principles limit the possibilities of institutional answers in the form of ad hoc governments, leaving solutions mostly to voluntary and casuistic agreements among neighbouring municipalities or between the various levels of government, especially when two or more federal entities are involved, as in the case of the Mexico City Metropolitan Area.

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ENDNOTES

[1] An original version was prepared by request as Graizbord, Boris (2007) Governance of megacities in federal orders. Background reading for work sessions 12 & 24, *Conference Reader: "Unity in Diversity –Learning from Each Other*," Fourth International Conference on Federalism, 5-7 November, New Delhi, India, pp. 467-496. The authors of the current manuscript thank Susan Beth Kapilian (subeka2000@yahoo.com) for her careful editorial revision.

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[4] In the case of Mexico, official figures published in INEGI, CONAPO, & SEDESOL (National Institute of Statistics, Geography, and Informatics; National Population Council; and Ministry of Social Development, respectively) (2007) have defined 56 metropolitan areas that include a total of 345 municipalities. In 2005, total metropolitan residents amounted to close to 58 million, representing 56 per cent of the country's population and 78.6 per cent of its urban inhabitants.

[5] The Mexico City Metropolitan Area is a clear example in terms of administrative, political, and social fragmentation. Its functional area covers at least 3 federal entities (the Federal District, the State of México, and the State of Hidalgo). The periphery combines vast low-income segments of the population that reside in lower-level housing complexes that are consolidated or were recently built by either the government or private developers. It also includes irregular settlements with mixed high-income residential developments.

[6] Examples of confrontation are the "Vive le Québec Libre" movement in Canada based on religious and fundamentalist identities, and the Atenco movement in Mexico that recently united a whole community defending their land which successfully confronted the Mexico City government because the latter had attempted to expropriate it to build a new airport for the city.

[7] See Pinch (1985:84-89) for a clear presentation of the concept of "distance-decay" and the friction of distance and how these affect locational efficiency or accessibility to local public services.

[8] For an influential treatment of geographic social justice, see Harvey (1973). A just territorial distribution of income –he argued– would be such that meets the needs of people no matter which area they live in, which introduces the question of "people" or "place" to be considered in urban social policies.