Cooperation Through Regionalism:
A Political-Economy Framework for Understanding
Intergovernmental Cooperation

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Motivation

- Increasing calls for regionalism
- Prevalence
- Develop and test a model of intergovernmental cooperation that:
  - Is embedded within the institutional context in which cooperation often takes place
  - Account for regional and local factors
  - Accounts for economic and political costs and benefits
Economics vs. Politics

- Intergovernmental cooperation may enhance economic efficiency by:
  - Reducing negative externalities
  - Increasing positive externalities
  - Capturing economies of scale

- Underlying political dilemma
  - Local governments give up authority to achieve regional economic benefits
  - Local political actors may be held accountable for local costs of regionalism by their constituents
Approach

- Develop a theory of regional governance that may generalize to other forms of intergovernmental cooperation
- Focus on existing regional governance arrangements, how they are organized, what they do
- Test hypotheses with data from Great Lakes regional councils (RCs)
  - Members are primarily local governments
  - N=87
  - Activities: planning, policy-making, service delivery
  - Unusual in some ways (large, institutionalized, multi-purpose, history, funding)
A Model of Regional Governance

Regional Interests

Local Demand
Local Politics
Local Interests

Regional Institutions

External Influences
Activities
Institutions Hypotheses

- **Collective Action Hypothesis**: As the number of participants increases, cooperative efforts will undertake fewer activities.

- **Interaction Hypothesis**: As the number of previous activities increases, the probability of new additional activities increases.

- **Leadership Hypothesis**: When an executive director, chair, or other member holds significant power in a regional institution, cooperation will increase.

- **Capacity Hypothesis**: As a regional institution increases its organizational capacity, in terms of staff, expertise, resources, and technology, it will undertake a greater number of cooperative activities.
Local Interests Hypotheses

- **Local Demand Hypothesis:** When individual local governments have large service gaps, the probability that they will engage in regional cooperation increases.

- **Local Politics/Heterogeneity Hypothesis:** As the social and economic circumstances of a region’s population diversify, cooperation will decrease.
Regional Interests Hypotheses

- **Regional Wealth Hypothesis:** Regions with relatively wealthy residents will be under less pressure to reduce costs and so will be less likely to engage in politically costly cooperation.

- **Regional Growth Hypothesis:** Local governments may find it easier to share responsibility regionally on new services and activities, compared to giving up authority over existing service responsibilities. Regions experiencing rapid economic growth will likely be expanding their service provision and hence cooperation will be more likely.
External Influences Hypotheses

- **Mandate Hypothesis:** In states where regional decision-making is mandated by federal or state policy, cooperation will increase.
Empirical Model

\[ \text{Activities} = f (\text{Institutions, Local Interests, Regional Interests, External Influences, Controls}) \]
Data Sources

- NARC: National Association of Regional Councils member survey, 2001-02
Conclusions

- Extent of cooperation within a regional council is related to institutional characteristics, population diversity, regional economic factors, and external influences.

- Regions with smaller boards, more federal funds, fewer minorities, lower fiscal capacity, and mandated federal responsibilities engage in more cooperative activities.
Implications

- Models of government decision-making need to account for trade-offs between economic benefits and political costs.
- Institutions matter: may facilitate or undermine cooperation.
- Promise of economic efficiency alone may be insufficient to move local governments into cooperative relationships.