

(Lecture)

Local Government in the United States

Ronald K. Vogel

My presentation today will be in three parts. First, I discuss characteristics of systems of local government. Second, I assess local autonomy in the United States. Third, I describe recent changes in the inter-governmental system. Finally, I will talk about some lessons of decentralization in the US, which may have application here in Japan.

Table 1: Number of Local Governments in US

No. 405. Number of Governmental Units by Type: 1952 to 2002

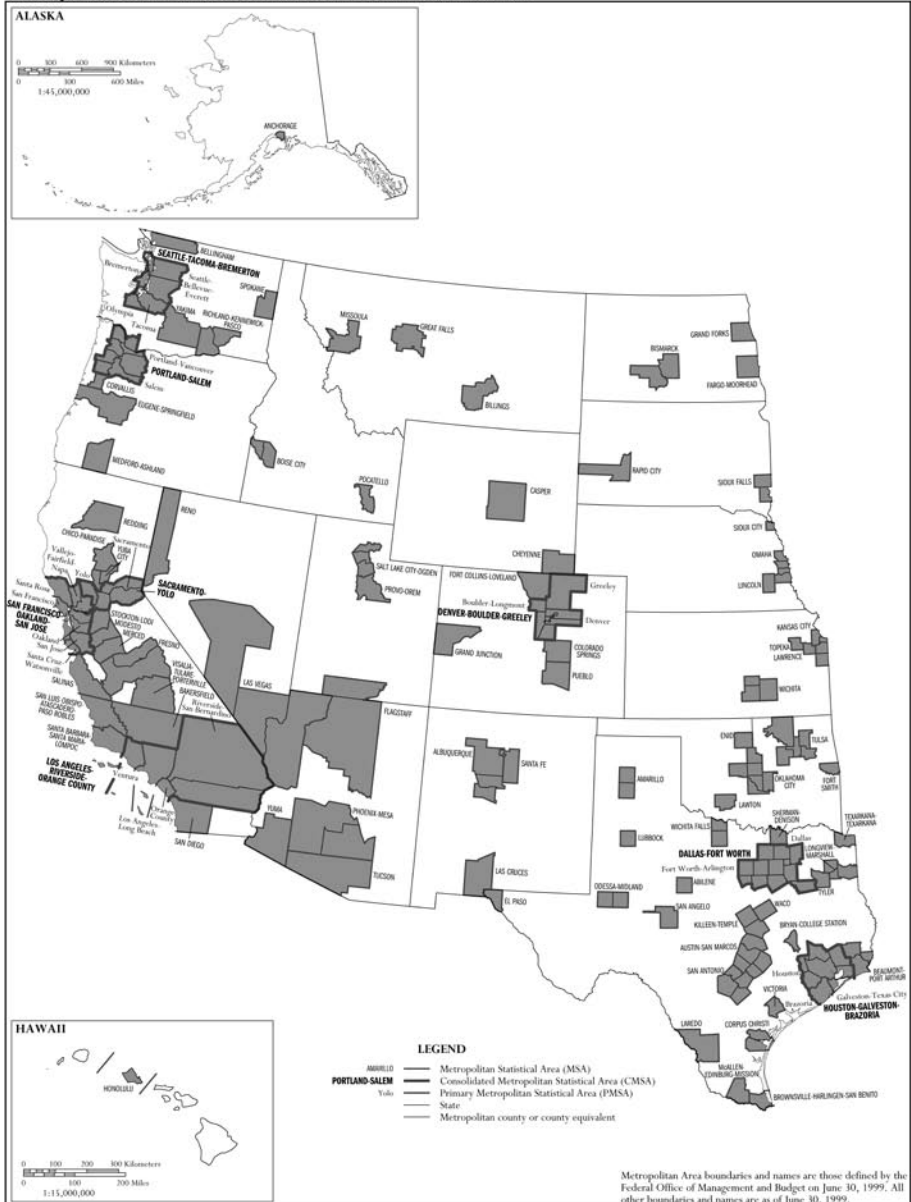
Type of government	1952 ¹	1962	1967	1972	1977	1982	1987	1992	1997	2002
Total units	116,807	91,237	81,299	78,269	79,913	81,831	83,237	85,006	87,504	87,900
U.S. Government	1	1	1	1	1	1	1	1	1	1
State government	50	50	50	50	50	50	50	50	50	50
Local governments	116,756	91,186	81,248	78,218	79,862	81,780	83,186	84,955	87,453	87,849
County	3,052	3,043	3,049	3,044	3,042	3,041	3,042	3,043	3,043	3,034
Municipal	16,807	18,000	18,048	18,517	18,862	19,076	19,200	19,279	19,372	19,431
Township and town	17,202	17,142	17,105	16,991	16,822	16,734	16,691	16,656	16,629	16,506
School district	67,355	34,678	21,782	15,781	15,174	14,851	14,721	14,422	13,726	13,522
Special district	12,340	18,323	21,264	23,885	25,962	28,078	29,532	31,555	34,683	35,356

¹ Adjusted to include units in Alaska and Hawaii which adopted statehood in 1959.

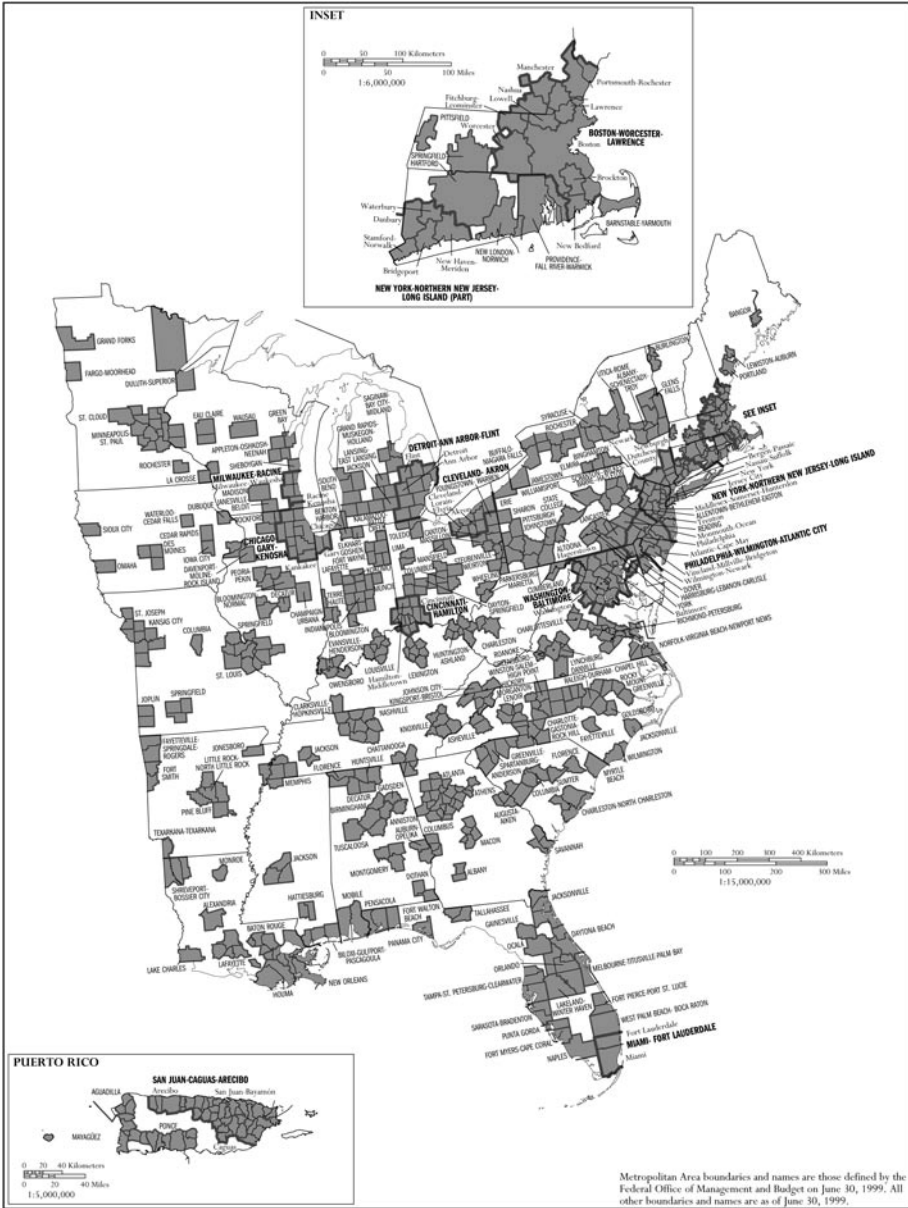
Source: U.S. Census Bureau, 2002 *Census of Governments, Governmental Units in 2002*, series GC02-1(P). See also <<http://www.census.gov/govs/cog/2002COGprelimreport.pdf>>, (issued July 2002).

Source: Reproduced from US Bureau of Census, *Statistical Abstract of the United States* (2002), p. 260 <http://www.census.gov/prod/2003pubs/02statab/stlccog.pdf>

Metropolitan Areas of the United States and Puerto Rico: 1999



U.S. DEPARTMENT OF COMMERCE, Economics and Statistics Administration, Bureau of the Census



I. Characteristics of the System of Local Government in the US

The first point I would like to make about local government in the United States relates to fragmentation. One of the basic characteristics to understand about local government in the US is that it is a very fragmented system. There are more than 87,000 local governments in the US. Please refer to Table 1 in the handout: “Number of governmental units by the type 1952-2002 in the United States.” We have one US government, 50 state governments, and then you will see that as for local governments, we had 86,849 in 2002. However, we should also notice that the number of local governments has declined from 1952 and the type of government that has declined the most is the school district. In the US, most public education is provided by the local public school district, usually matching the county boundary. It declined from some 67,000 to about 13,000.

The government that has been growing the most is the “special district.” I do not think you have anything comparable to the special district here in Japan. A special district is a unit that is set up to provide a single service within designated boundaries, perhaps within a city, perhaps crossing cities, or even across county boundaries. For example in South Florida, there are “mosquito control districts” which are set up to kill mosquitoes. In some places, we have a “downtown management districts” to hire extra police officers or to have more garbage collection in some sections of downtown.

Therefore, in any particular metropolitan area we have perhaps several hundred, or even five or six hundred local governments. There should be a map in the handout that shows all the metropolitan areas in the US and in any of those metropolitan areas, you usually find one core city surrounded by many local governments.

All those different governments in a particular local area leads to much concern about whether there is sufficient coordination among local governments in the area, and whether we have any overlap or duplication in providing public services.

The second aspect of local government in the US, which is not necessarily well understood, is that we have a federal system. Under the US federal system, we have a national constitution, which divides power between the central government on the one hand, and the state government on the other hand. The national government has primary responsibility for the areas of national defense and foreign policy. The state governments have primary responsibility for domestic policy such as education, health, welfare and what we often refer to as the police powers which mean ensuring public safety not just security through police forces but we would include for example health under the police powers.

Now I am giving you a very simple explanation of American federalism. You should understand that it is not as rigid as I just presented. Many more powers would have been developed at the national level over the 200 years of US existence. The national government now

Local Government in the United States

acts in the area of education. State and local governments act in the areas that were once responsibility of the national government. For example a city should not engage in foreign policy but there was a point of time when the mayor of New York suggested that the PLO leader Arafat should not be speaking at the United Nations. The State Department was not too happy about that. Like in this case, cities often get involved in things that some might say is not legitimate.

So one important point here about federalism in the US is that each level of the government, and here I'm only speaking about the national level, and the fifty states, each level of government has an independent grant of authority. Under the Constitution of the United States, state governments do not receive their authority from the central government. They receive it from the constitution, the same place that the national government receives its authority. We say that in American democracy or the republican form of government, that both receive their grants of authority from the constitution, which derives its power from the people.

In Japan, I often hear people refer to senior officials in the central government. We would not usually talk that way in the United States. A central government official is not considered superior to a state government official and would not be given much deference. Neither the central government nor the state governments may interfere in the lawful constitutional activities of the other. The US Supreme Court says that when acting properly under its grant of authority a state is not subject to the central government's interference. Howev-

er, the national government may have other powers it might use to try to persuade the state government to do something. For example, it may try to deny a grant or money for some activity. However, it must follow procedures very carefully. The president may be unhappy with the state governor and the president might try to block the pork barrel for that state which is congressional spending to do some project in that state. However, usually the president would not want to get involved in such a narrow issue. We have fifty states and the president cannot afford to have a fight with each governor and does not want to get so involved in state and local affairs anyway.

One other point I want to emphasize here is that local government is not mentioned in the constitution. Local government has no place in the constitution. It is not addressed at all.

The next point I am going to make is a little confusing but I will try to be clear. In the US, we say we have a federal system between the national government and the state governments. However, if we look within a particular state the relationship between the state and local governments in that state is not a federal relationship. It is a unitary relationship. The relationship between the state and local government would be like the relationship between the Japanese central government and Japanese local government. It is a unitary relationship and the Japanese central government, or the US state government, has all the authority.

Here, power resides in the state government that creates subordinate

units—local governments—because they are convenient to provide services or implement policy at a lower level. The state constitution may establish the system of local government or the state legislature may pass laws providing for a system of local government. In the US, each state has a state constitution that is its own version of where the state derives its power from the people through the constitution creating the state government. The state constitution, like at the national level, lays out the rules at the state level. The point here to emphasize is that local governments in the United States formally have only those powers that are delegated to them from the state government.

Let me now turn to the *“decentralized system of local government”*. Since we have so many local governments in the US, more than 87,000 and since local governments operate under state authority we refer to local governments in the US as being decentralized. We have a decentralized system of local government. We do not have a national system of local government. Local governments are not mentioned in the US constitution. We have much variation in local government or fifty systems of local government. Each state sets up its own system of local government based on local history, laws, and the state constitution. The states lay out the organization and responsibilities of local government including the services that local governments provide and the particular kinds of local government that exist in that state.

A city in New York has different powers, organization, structure, and services than a city in Florida or California or Kentucky where I am

from. It is important to be cautious when comparing cities in the US. Cities in the Northeast would often include local education in the city budget but a city in the South would not. That would be a different unit of the government in the South.

II. Local Autonomy in the US

The second major point of the lecture relates to local autonomy in the United States. It might be a little surprising to Japanese but American scholars would not usually talk about local government in the US as having a great deal of autonomy. We often emphasize the legal limits of local government. From a legal point of view local governments' powers in the US are quite limited and this follows from Dillon's Rule which is a legal doctrine accepted by the US courts. Under Dillon's Rule "any fair, reasonable doubt concerning the existence of the power is resolved by the courts against," in this case the city government, "and the power is denied." If there is any doubt, any rationale that anyone can make, that a city or a local government should not have that authority the court will usually side against that local government.

Because of this rule, states have absolute power in the US to create or destroy local governments at will. The only limit on their ability to do this is any limits in their state constitution or their laws, or if there is some political price they might pay for this.

However, states are reluctant to intervene because they would usual-

ly pay a large political price if they were to eliminate a city. The citizens of that city might be very angry and vote against the state governor or the legislators from that area that represent them in the state legislature would have blocked this anyway. This is because they derive some of their powers from having some organization there.

In the US, we also have an expectation that there should be a referendum before major local government restructuring. There will be a heavy political price to pay if significant changes are made without a referendum.

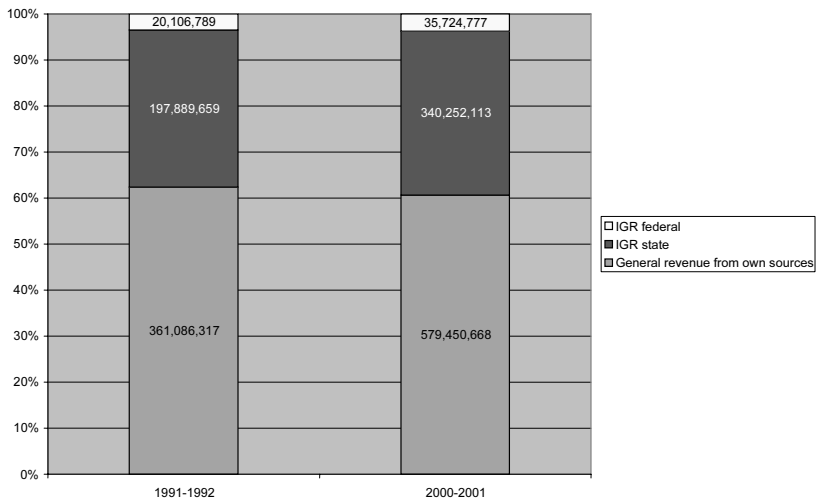
This lack of legal authority of cities is often a problem for the cities because it means that whenever they encounter a new problem that has not been anticipated they must go to the state legislature and request new authority to deal with this new issue. And even today, there are a number of state legislatures that only meet every other year. A city might have to wait for almost two years to bring some issue up in order to get new authority.

In more urban states, this would also clog up the agenda of the state legislature because if you have several hundred cities and hundreds or thousands of other local governments in the state knocking on your door saying “Pass a law for this!” and “Pass a law for that!” there would be too many items to put on the agenda.

One way to improve the situation was the Home Rule Charter. Most states in the US have passed state laws or amendments to the consti-

tution providing for home rule for local governments, particularly for city governments. However, practically speaking Home Rule has not had that great an effect in strengthening local government because Dillon’s rule still applies. If somebody were to challenge the local authority, the courts more times than not would side with the challenge to that authority.

In the US, there are other limits to local autonomy besides Dillon’s rule. One issue is that cities are in part dependent on state or federal governments for some of their financial aid. Local governments receive about 30 percent of their revenue from the state and federal governments, with the most coming from the state government. The accompanying bar graph labeled Figure 1 shows inter-governmental



Source: US Bureau of Census, State and Local Government Finances.

Figure 1 Intergovernmental Aid Compared to Own Source Revenue, Local Governments

aids and grants from the federal or state government. “Own-source revenue,” or the revenue local governments raise through their own tax dollars or user fees are the largest share of resources accounting for more than 60 percent of their revenue. Then the bulk of the remainder comes from the state government. The federal government is providing less than 5 percent of the revenues of local government. No matter how little aid it is however, aid comes with strings attached to it. State governments under the federal system have primary responsibility for education. However, the national government is permitted to spend money on education and it makes education grants available. President George W. Bush got Congress to pass the “No child left behind” Bill that requires states and local school systems to test children, to monitor how they perform on some national standards of education. Every school system in the country now must administer the same test and see how children do. The rationale is that the national government wants accountability. You must improve education if you are to take federal aid.

In the US, we often talk about dependency of local government on higher levels of government but compared with Japan or some European countries local governments probably have a very high level of own-source revenue, which gives them greater ability to act independently.

Another point to make in considering limits to local autonomy deals with “unfunded mandates.” Local governments in the US complain that federal and state governments put mandates on them to do cer-

tain activities without providing the money. For example, the US Conference of Mayors, an organization made up of all the mayors in the US, estimates that there are ten federal mandates in the 1990s that were negatively affecting cities in terms of costs. One example they pointed to is the Clean Water Act. Altogether these mandates led to \$54 billion in fiscal expenditures from 1994–1998 without a check coming with the requirements.

The State of Minnesota estimates that it has spent \$250 million to remove asbestos from buildings and another \$150 million to make public buildings accessible to the disabled. This spending was because of federal laws that require certain kinds of access like a curve cut but again no money came with the requirement. A better example of that would be that buses or mass transit has to be accessible to everybody in a wheelchair. That does not mean that one bus every three hours is accessible. Each bus should be accessible. You must put a lift or have the bus be able to move up and down and if a city has 500 buses, they must equip all buses to do this. There are many examples of unfunded mandates at both national and state levels. Within a state, there are many state unfunded mandates that local governments must bear the cost.

Third limit to local autonomy is that cities are economically dependent on private businesses. The economy shifted in the 1970s from a manufacturing base to a service base and many cities in the US lost thousands of jobs. This job loss or economic dislocation also led to huge revenue losses because people are not working and they cannot

pay taxes, and they may not be able to keep up their home so property values may decline. Less income meant less taxes being paid and less sales taxes.

One way to make up lost revenue was to get more federal aid. However, federal aid went much lower during the same period so the local governments could not look to higher-level governments to make up revenue. To make up for the lost revenue and provide jobs for citizens, cities sought to recruit, expand or keep businesses they had in their cities by providing different kinds of incentives. This dependence on private business to get them to do things that the public sector cannot do means that the officials must be careful not to scare businesses away. If cities adopt policies that are “too” progressive or too redistributive, then businesses may leave saying “we don’t want to pay higher property taxes or higher taxes locally” which may raise wages for example and make it harder to find employees or provides welfare so that employees may not want to work for us or simply we don’t think it is good for a business climate.

From the 1980s onwards, we find cities have more a limited agenda and they tried to avoid redistributive policies focusing more on providing basic public services or projects with business backing or providing a certain kinds of infrastructure that business may want.

If you ask the mayors what is the most important job in the American city they would not talk about providing basic public services. They would talk about trying to build the local economy, something, which

we would not normally think that a mayor has much control over.

Why then do many view American cities as having quite a lot of local autonomy? I have painted a picture for you that suggests local governments do not have so much local autonomy.

First would be the high revenue generation of local governments with over 60 percent of their revenue coming from their own sources. Therefore, while in the US we might say other levels of government should do more to help cities, comparatively speaking, this is a high amount of own-source revenue. In the US, we talk about the golden rule; he who has the gold makes the rules. The idea is that the power is where the source of revenue is. It gives cities discretion over what they do and they do not have to beg another level of government for their resources.

However, more than the legal authority I would point to some other features of the American political system and culture that help override the structural legal limits of local government in the US.

First and the strongest value in the American system is localism, or value of the local. “Local” is the primary orientation of elected officials, even those at the national level except for the president. However, even he speaks much of Texas. Officials in the higher-level governments have a very healthy respect for local preferences and values. Most of the political leaders and elected officials got their start in local offices, for example elected to the local school board or

a city council, and then on a county commission, then maybe to the state legislature, the state house or the state senate, and then maybe they are elected to the US Congress or the US Senate. There is a career pattern of starting local and then shifting but some decide to stay local and not continue to move up.

This is reinforced by a weak party system and the local system of representation. We really do not have a national Democratic Party and national Republican Party. We have fifty state Democratic parties and fifty state Republican parties. Even then, we do not have fifty state parties, Democratic or Republican. The parties are actually organized at the county level. So however many counties we have in a state, together they serve as the state party. Even within a county those officials who run the county Democratic or Republican parties themselves are selected from voting precincts representing a piece of the county. This naturally leads these officials and party leaders to view themselves as representatives of local communities rather than saying “I’m a state Democratic official or a national Democratic official.” Of course, there would be a chair of the national Democratic Party but they would not be able to command the fifty state parties, which cannot command the 3,000 county parties.

In every region or county we would have the members of the state House of Representatives or the state Senate meeting together as a delegation from that local community to make common decisions about what the local agenda is, what laws they would like to see passed, what aid they would like to get into their communities, even

if they represent different parts.

If a state has 10 representatives at the national level, in the US Senate and House, and some are Republicans and some are Democrats, they may dislike each other and they may have very different ideological agendas. Nevertheless, they can all agree that they would like a billion dollars for a bridge in their state.

The third point here relates to public-private partnerships. In most cities, mayors would forge a public-private partnership to supplement their power or lack of power to accomplish their goals. For example, a city may not have enough revenue to do some major redevelopment projects it wants to do like waterfront redevelopment. The project may cost \$30 million and the city government may only be able to give \$10 million. Then the mayor will contact local business leaders and try to negotiate their involvement in the project and try to get them to put up some of the money, or do some kind of other arrangements to work together so that they can redo the waterfront even if there is not enough state authority or resources to do it.

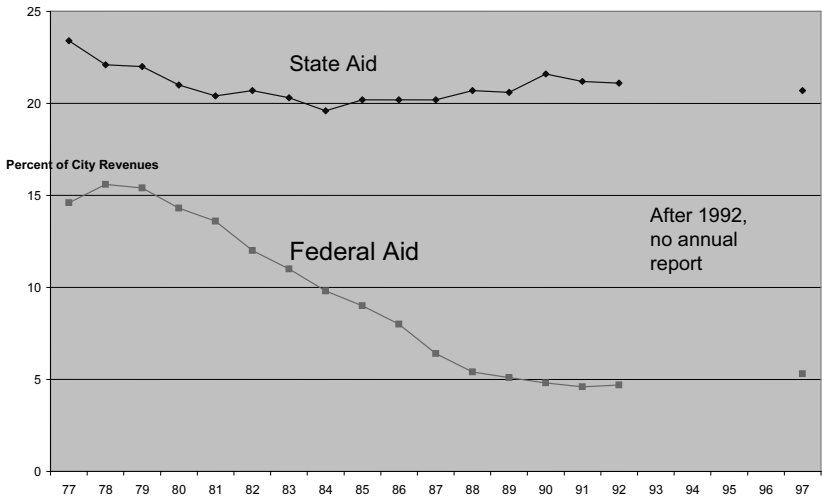
The final point here on ways that local autonomy is stronger than what might have been suggested initially is that American political culture emphasizes individualism and pragmatism. Local public officials do not hesitate to just “do it” as the US Nike commercial says. In the Nike ad campaign, they show the sneakers and you just go out and exercise. “Just do it” is a creed of an American mayor. We will get the job done regardless of the difficulties or problems. Local polit-

ical leaders will find creative ways around barriers that confront them whether that be legal barriers, or political barriers, they will be very innovative and imaginative in trying to address their problems.

Mayors often get involved in issues over which their city governments have limited authority legally. However, the leadership of the mayor can have effects simply by speaking, negotiating, or asking people to meet with him or her.

III. Recent Trends in Intergovernmental Relations

Please look at Figure 2 (Trends in federal and state aid). Notice in 1977 or 1978 federal aid to cities was around 15 percent of city budgets. By 1997, federal aid had declined to only about 5 percent of the



Source: US Bureau of Census.

Figure 2 Trends in State and Federal Aid to Cities

city budgets. State aid in the same period went from around 23-24 percent to 21 percent...a small decline but still making up about a fifth of the city budget.

Cities had to do much while having declining resources and a declining economy. They had to become more efficient and more effective, and be more productive. That was the challenge of the 1990s.

IV. Lessons of Decentralization in the US.

How do these lessons apply to Japan and other systems?

First, decentralization means different things in different countries. In the US, we start with a strong decentralized system in the first place. In the US context, modern decentralization or devolution reflects withdrawal of federal support for cities rather than any other bolstering of cities.

Second, decentralization requires a well-developed system of local governance in the first place. In the US, cities were able to survive with great withdrawal of federal assistance even during bad economic times. They already had a well-developed strong system to start with. They had a good base to work from to try to work through the problems they faced. While they may not have wanted new responsibilities thrust upon them, they accepted the challenge in most cases.

Third, decentralization does have significant policy consequences. In

the US, it has led mayors to forge strong public-private partnerships but it also means that mayors must be more focused on business, less focused on social-centered policies. Mayors also have adopted new public management techniques. Some of these techniques may save money but they do raise value questions and trade-offs. We might have less local democracy if you are more business-oriented. Some may question some of the public management initiatives as to whether employee unions are dealt with fairly or too much is expected of the public employees. I would not deny these issues. They are the things that we would like to talk about further.

Fourth, the ability of local governments to accept new responsibilities is closely related to the overall health of the economy. In the US, the recession began to ebb in 1993 and for the last seven years of the 1990s, most American cities had a good local economy, which raised revenues and gave them more room to adjust to the new realities.

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Biography:

Ronald K. Vogel is a professor of Political Science at the University of Louisville.

Suggested Readings:

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〈講 演〉

米国の地方政府

ロナルド・ボーゲル

ルイビル大学政治学科教授

要 約

米国の地方政治に関する講義においてボーゲル教授は以下の4点を論じた。

- 1) 地方政府制度の特徴（細分化、連邦制度、分権の進んだ地方政府制度）
- 2) アメリカの地方自治（地方自治の限界—ディロンのルール、住民投票、自治憲章、財源なき委任、民間企業に経済的に依存する市、連邦補助金の削減、高歳入創出、地方主義、弱い政党システム、官民のパートナーシップ、個人主義、プラグマティズム）
- 3) 政府間関係の最近の変化
- 4) アメリカの地方分権から日本が学べること（分権化の受け皿となる発達した地方行政制度が必要、分権化は政策に大きな影響を及ぼす、新たな責任を果たす力が地方政府にあるかどうかは経済状況に深く関わっている）