

Chapter 8

Models for a Federated Cleveland

The suggestion of redesigning Cleveland as a federation of smaller cities within the existing city boundaries may sound radical, but if one looks outside of the United States to examine how local governments in other large cities are structured, one discovers that the American system is antiquated. Cleveland's system of a core city government, serving a population that has ranged in this century from less than 500,000 to nearly a million people, is not the preferred system for large cities in Canada, Europe, or Asia that have reorganized since 1945. In many countries, a two- or more-tiered structure for municipal government has evolved. It allocates to a series of small sub-municipalities those functions which serve the most local needs and consigns to an area-wide municipality functions from which all subordinate areas receive a common benefit.

Belgrade, Berlin, Cairo, Calcutta, London, Moscow, Paris, Tokyo, Toronto, and Warsaw are examples of multi-tiered municipal governments. Each has grown from its own governmental tradition, reflects its unique social customs and political dynamics, and is related to the peculiarities of public finance in the particular country. Nonetheless, all of those cities have found it advantageous to allocate to smaller sub-municipalities such functions as waste collection, street repair, housing development, fire protection, traffic regulation, local parking facilities, social services, local parks, and recreation while handling waste disposal, mass transit, arterial roadways, and area-wide planning through a greater municipality of which all of the sub-municipalities are a part.

It is noteworthy that the population of the City of London (as distinguished from Greater London) is barely 10,000 and that metropolitan Paris is divided into over 1,000 sub-districts (called communes and arrondissements) ranging from less than 10,000 to more than 200,000 people. The size of the core city whose name characterizes a metropolitan region seems not to determine either the power or the vitality of the central city in those countries.

The multi-tiered governmental structures of Canadian, British, and European cities have evolved under national political systems where local government was once subject to strong national or, in the case of Canada, provincial control. The strong national or provincial government has imposed a two-tiered system on local urban areas. In those countries, both municipal policies and municipal funds have been derived in substantial part for many years from the national or provincial level of government. Historically, the people who now live in London or Toronto or Paris have settled in boroughs or towns which ultimately have grown until their populations touched to form a contiguous metropolis. Thereafter, the national or provincial government periodically reviewed the local governmental structure and initiated changes on its own.

London. For London, the national parliament has from time to time restructured the metropolitan area. Over the years, the small Corporation of London has retained its historic boundaries in the center of London; but modern metropolitan London now contains 32 boroughs plus the historic city of London with its small population. All 33 sub-cities in Greater London have their separate councils and mayors which administer such purely local functions as land development and control, road maintenance, waste collection, and social services. The boroughs send representatives to the Greater London Council which establishes and maintains arterial roads, waste disposal systems, water purification, and other central functions.

The boroughs within Greater London have political features that are distinctly British. The London borough of Westminster, for example, which contains about 200,000 people and houses Buckingham Palace and Westminster Cathedral, is divided into 20 wards of from 6,000 to 12,000 people. Each ward elects two to five members to a Westminster council of 60. The candidates run under national party labels and receive only nominal pay.

The Westminster council itself meets fewer than six times per year. Policy, in large part, is made by the leadership group of whichever party has a majority on the council. Because council members often consider their service on the borough council to be a stepping stone to membership in Parliament, party loyalty and the goodwill of the party leadership are important on policy matters.

Not unlike any Cleveland councilman, a local council member's time in Westminster is devoted less to policy making and more to acting as an ombudsman for constituents who seek services through the bureaucracy of the local Westminster government. Because the council members are not elected from single member districts, no individual member exercises a veto over administrative action in his or her ward, but if members from the same ward are in agreement on a ward problem, they obviously have great influence.

Initially, each London borough was fiscally independent. More recently, London has developed a revenue-sharing system under which revenues raised by the Greater London Council are redistributed to the boroughs according to a formula reflecting population, miles of streets, and other factors of need.

Toronto. In Canada, the province of Ontario has recently structured its entire system of local government after the experience of Metropolitan Toronto. Toronto adopted a two-tiered system of municipal government in 1954. Thirteen of the existing cities and towns in the metropolitan region were recognized as contiguous municipalities responsible for fire protection, waste collection, education, social services, street maintenance, and many other local services. Those thirteen municipalities sent representatives to the council for Metropolitan Toronto (known as Metro) which had responsibility for public transportation, regional planning, regional parks, waste disposal, water supply, and other services requiring regional interconnection.

Each sub-city in Metro Toronto depends for its funds upon real estate taxes levied by the sub-city and upon provincial contributions. Unlike London, there is no revenue-sharing between Metro Toronto and the constituent municipalities. That fiscal system was an important reason for reducing the number of constituent municipalities to six in 1966.

The political structure of Toronto must be viewed in relationship to the city's economy. In the 25 years since 1954, metropolitan Toronto has experienced phenomenal growth. This growth is related to Toronto's role as a provincial capital and the dominant city in English-speaking Canada. The province of Ontario, of which Toronto is capital, occupies an immense area from the Great Lakes to Hudson Bay—perhaps equal to 20 percent of the land mass of the continental United States. The post-World War II

industrial growth of Ontario was concentrated heavily in Toronto. Twenty-five percent of all immigrants to Canada in this period settled in Toronto. All but a few came with marketable skills, good health, and ambition. Toronto is not only the provincial capital, seaport, and commercial center for Ontario, but it is also the prime port of shipment for exports from the central agricultural and mineral regions of Canada and a headquarters city of American businesses operating in Canada.

Modern Toronto's new two-tiered government has obviously functioned in an environment of continuing private and public prosperity. Neither the economic nor social life of Toronto in these years has been characterized by poverty. The physical aspect of Toronto has been one of continuing new construction and rehabilitation of older structures.

Ethnic and racial divisions also do not significantly characterize Toronto. The few blacks live nearly everywhere in Toronto. Until very recently the immigration has been overwhelmingly European—Italian, Portuguese, Eastern European—but Anglo-Saxons still predominate both numerically and in the political structure. Very little about the social, economic, or political life of Toronto resembles a politically divided or physically decaying older industrial city of the United States.

Amidst such prosperity, the two-tiered government of Toronto has been a widely heralded success. In 1974, it became the model for reorganizing all municipal structures in Ontario. It has been the upper or regional tier that has gained most attention for Toronto's form of government. That tier has had the more conspicuous responsibility for extending transportation lines and planning regional development. The lower tiers of government have handled the day-to-day, less glamorous tasks of collecting trash, clearing snow, and putting out fires. Since nearly all of Ontario has enjoyed and anticipates continued economic growth, the advantages for regional development of the two-tiered system justified its extension to the remainder of Ontario.

Despite economic and cultural differences, there are, nonetheless, lessons to be gleaned from the Toronto system which may be relevant to a city such as Cleveland which is struggling with physical decay and political divisiveness. One lesson is in comparing the policy focus of the City of Toronto (the older core city) with that of the surrounding municipalities in Metro Toronto.

Conflicts have existed between the core City of Toronto and those newer surrounding cities that comprise Metro. It has been a conflict of life-styles.

The surrounding cities are suburbs in the American model—residents with larger houses, larger lawns, and needing road access to central Toronto. In the last six years, the central City of Toronto has succeeded in blocking the extension of new free-ways into the heart of town so that transportation priorities have begun to shift to mass transit. At the same time, the central City of Toronto has prevented the building of office and institutional buildings in clusters which would clear existing residences. For a number of years, city planners in central Toronto have attempted to assign priority to protecting the life-style of those who want to reside in the inner city.

The contrast with Cleveland is striking. In no respect can it be said that Cleveland residents have been able to protect their residential interests from the encroachments of business expansion or suburban transportation needs.

A second lesson to be learned from Toronto is found in the 1977 Report of the Royal Commission on Metropolitan Toronto. Recognizing that the urban zone of Metropolitan Toronto was contiguous to other urbanized regional municipalities that stretched from the U.S. border at the western end of Lake Ontario eastward to Toronto, the Commission considered whether Metro should be expanded so as to assume jurisdiction over one or more of those nearby urban areas. The Commission answered:

A single government would be too large and impersonal to suit the tastes and traditions of the area.

Indeed, the Commission noted that there was beginning to arise some pressure “for some formal structure of citizen involvement for local neighborhoods.”

The American Tradition of Local Autonomy

While British and European municipal tradition began with the agent of the crown, American municipal tradition began with the town meeting— independent settlements in which all citizens participated in making local policy. Nearly 150 years ago, Alexis de Tocqueville, struck by this American tradition, observed:

Town meetings are to liberty what primary schools are to science; they bring it within the people's reach, they teach men how to establish free government but without municipal institutions it cannot have the spirit of liberty.

. . .

Municipal institutions constitute the strength of free nations . . . without power and independence, a town may contain good subjects, but it can have no active citizens.

De Tocqueville observed a nation of small towns. The 1790 census showed only thirteen American cities with more than 5,000 people. None exceeded 40,000. In 1840, only 8.5 percent of the population lived in cities of over 8,000 residents. In 1880, only twenty cities had more than 100,000 inhabitants. For nearly 100 years after the founding of the republic, the large cities were saddled with small town governments.

The town meeting tradition produced Cleveland's nineteenth-century government with more than twenty elected officials. By 1910, however, all of America's large cities had outgrown the town meeting tradition. Where municipalities of 10,000 or less were once governed by ten or more elected officers, city wards of more than 30,000 residents had only a single elected official. Cities of 500,000 or 1,000,000 or 7,000,000 could offer to their residents no more than the token participation of voting every other year on election day. The remaining 729 days, residents were largely anxious and suspicious observers, not the free and active citizens that de Tocqueville observed learning and exercising the powers of self-government.

In 1915, Frederic Howe, an ally of Tom L. Johnson, recounted the then prevailing view of America's large cities in his book, *The Modern City and Its Problems*:

The city is assumed to be our most conspicuous political failure. Municipal office has rarely attracted men of conspicuous talent. There is no permanence of tenure in the higher offices and no provision for the expert. We have had few municipal standards . . . there has been little thought of beauty or comfort; little planning for the future. The boss and privileged interests have controlled the party and, through the party, the city itself. In addition, up to very recently the spoils system has pre-

vailed in the appointment of employees whose allegiance has been to the person who appointed them rather than to the city itself. As a consequence there has been much inefficiency and dishonesty.

In fact, the twentieth century ushered in a period of radical reform in municipal affairs. Patronage was attacked through civil service laws. Greater voter control was attempted through provisions for referendum elections, recall, and initiative petitions. Some cities, like Cleveland, Dayton, and Cincinnati, experimented with city manager forms of government. Those were the primary innovations in local government from 1900 to 1950. They introduced an element of professionalism and helped to reduce corruption and control by party bosses. Lack of responsiveness to resident demands and inefficiency continued, however.

As American cities continued to grow after World War I, their size was not viewed as a liability. Indeed, size was considered a virtue. It was the standard by which municipal achievement was measured. The largest city, New York, was considered the best—even by non-New Yorkers.

American city dwellers were confident that if corruption could be winnowed and experts hired, any short-comings of size could be eliminated. By 1950, political scientists were more disturbed by the proliferation of small units of local government and single-purpose agencies than by the inefficiencies of the larger units. Not bothering to ask how these units really worked in comparison to larger units, the political analysts preferred to label them with such unflattering adjectives as “fragmented” or “uncoordinated”. The political scientists assumed, without genuine analysis or data, that the smaller units were more wasteful than the larger ones.

The larger units appealed especially to the planners and the planning mentality. There was an understandable desire to impose an order on the urban sprawl. It seemed logical and served the planners' need for power to create a super-government with area-wide authority. Thus, the reform pressures of the 1950s were aimed toward reducing the powers of small city governments and creating a new all-encompassing local government.

Few stopped to ask why nearly every American industrial city had ceased, for the most part, to grow in area after 1920. Few

inquired about the legitimate needs that the nation's suburbs fulfilled or about their governmental effectiveness.

The experience of Cleveland in growing from a village in 1832 to a metropolis in 1932 was replicated in at least twenty other large American cities between the Civil War and World War II. As industrialism and immigration coalesced, the political structures and geographic size of industrial cities resulted from the interplay of power and finance. Structure and size were not dictated by principles of sound management.

Money has been the paramount determiner of the political structure that American cities of the industrial North have inherited. As these cities grew, they needed to build water systems, sewer systems, bridges, harbors, hospitals, jails, and other major works. Civic pride called for stadiums, convention centers, opera houses, libraries, and public markets. The municipal tax base was the primary source of funds. Cities of 5,000 could not amass the capital for such projects, but cities of 500,000 could.

Political power was also a factor in how large a city desired to grow. In the 1800s, most states (including Ohio) did not allow cities to determine their own political structures. Instead, the state legislatures enacted general statutes establishing required political structures for cities of particular sizes. The larger cities lobbied the state legislatures for special powers and governing structures. What naturally resulted was a compromise between local politicians and state-level politicians. Greater size helped win greater local freedom, although home-rule and full freedom from state-house domination did not come until after 1900.

Finally, a large city was seen by many as essential to protect residents from the unbridled ambitions of private industrialists. From 1890 to 1920, a dominant issue in urban politics was municipal ownership. Were water, electric light, heat, and mass transportation to be supplied by private industry or by public bodies? Since these services tended to be delivered by monopolies, many believed not only that public ownership of monopoly profits was economically just but that fair prices and adequate quality could not be assured without such ownership. Municipal ownership seemed best achieved through a large city.

It was nearly 1960 before Americans had any real awareness that their large cities might be failing. The initial post-war sense was only that the children of immigrants were moving to suburbia

and that new immigrants from the countryside were replacing them. This shift caused new social problems, and the new native-born immigrants to the city were more assertive of their rights than prior waves of the foreign-born. By 1955, the decay of downtown retailing and older neighborhoods was apparent.

The first inkling that political trouble might be brewing amidst the physical decay came in the late 1950s. Scores of urban renewal and public housing programs being initiated by big city governments were blocked by irate neighborhood residents throughout the nation. In response to that citizen reaction, federal urban renewal legislation began to mandate that project advisory committees must be formed of residents from affected neighborhoods whenever a renewal project was contemplated.

Later, believing that local elected officials could not be trusted to allocate money to the needs of the poorest local residents, Robert Kennedy and others devised an administrative structure for Economic Opportunity Act programs which bypassed local government and provided that anti-poverty funds be administered through non-governmental boards on which one-third of the members represented the poor. Subsequently, the mandate for citizen participation in federally funded programs required tenant councils in public housing projects and neighborhood hearings for the use of Community Development Block Grants.

No one should forget that the underlying pressure for citizen participation in federally funded local programs was citizen unrest. In the 1960s, unrest in the black urban ghettos meant riots. The riots were the ultimate evidence that local government, especially the local police, was out of touch with a substantial number of its constituents.

The election of President Nixon in 1968 quelled the rhetoric of citizen participation and perhaps also the riots; but even President Nixon did not end the federal requirements of citizen participation in planning the local use of federal funds. Those requirements were continued and expanded in the 1970s.

More importantly, the Nixon years saw recognition that local revenues were no longer sufficient to finance large cities. It was President Nixon who gained enactment of a massive program of distributing federal funds on a formula basis to local governments. Although all local governments were eligible, the greatest per capita need was in the large cities. In 20 years, from 1952 to 1972, the

cities had shifted from fiscal autonomy to an almost narcotic dependence on federal revenues.

By 1975, federal aid notwithstanding, the nation's largest city, New York, was on the verge of bankruptcy and others were not far behind. The success of the large American city was for the first time in serious doubt.

Recognizing that New York's city government was not working well, Governor Nelson Rockefeller appointed a commission in 1971 to study and recommend a possible restructuring of New York City government. Known as the Scott Commission, but chaired by Edward Costikyan, a New York lawyer and Democratic politician, the commission recommended that New York City be divided into approximately 60 sub-cities which would function under a federated form of government similar to that in London. Each sub-city was to have an elected council and mayor, would receive much of its funds from the larger city of New York under a revenue-sharing formula, would also have some minor taxing power, and would have exclusive power to administer matters like those handled in Greater London by the local councils and in Metro Toronto by the regional municipalities.

The Scott Commission proposals were not adopted in New York City. Instead, in 1974 New York's charter was amended to require that the city be divided into 58 administrative districts. Every administrative department of New York City is now structured with service areas coterminous with those 58 districts and headed by a district administrator.

Each district has a citizens' advisory council of up to 60 members. The advisory council has a staff and staff director. The staff director serves as chairperson of an administrative cabinet composed of the district administrator from each city department. The cabinet meets monthly to discuss policies, report to the chairperson, and hear complaints and suggestions. By 1980, it was required that each city department prepare its budget to show services and expenses in each district.

New York did not adopt such changes to avert bankruptcy but rather to regain the confidence of its residents and to improve the quality of services. What is significant, however, is that, when bankruptcy came, New York did not abandon those reforms or claim that the centralized, older system was more efficient.

St. Paul, Minnesota. St. Paul has also experimented with

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municipal decentralization. St. Paul is a city of about 295,000 residents. In 1970, the Citizens League of St. Paul recommended that the city be divided into "suburbs in the city," because "suburban governments do seem able to secure enough consent from their constituents to make and implement decisions." Thereafter, in 1975, the St. Paul City Council authorized but did not require community councils to be created for each of 17 districts covering the entire city. Population within the districts ranged from 15,000 to 24,000. In May 1978, most districts had community councils in operation.

The initial role of the councils has been to work with the city planning staff on comprehensive district plans. Each district council also appoints one member to four task forces which work under the city's Capital Improvement Budget Committee. Notice is also given to the community councils of proposed zoning changes, street improvements, and park improvements. Community Development Block Grant monies are used to staff the community councils.

National Interest in Two-Tiered Government. While New York City and St. Paul, Minnesota have moved under purely local initiative to create citizen structures which could evolve into lower-tiered governments in a two-tiered city, the idea of two-tiered municipal government has been fostered from the national level by the National Academy of Public Administration with financial support from the U.S. Department of Housing and Urban Development. The National Academy's interest derived, in part, from a report issued in 1970 by the Committee for Economic Development, a New York based research group, that proposed local governments be decentralized in a two-tiered structure. In 1972, the National Academy received a three-year grant from HUD to develop plans for "Neighborhood-Oriented Metropolitan Government." The National Academy then subcontracted planning funds to interested local groups.

One recipient of those funds was the Greater Rochester Inter-Governmental Panel. Interest in two-tiered government was influenced in Rochester by the proximity of its successful neighbor, Toronto, and by Dean Alan Campbell of Syracuse University, one of the nation's recognized experts in public administration.

After two years of study, the Rochester group (GRIP) recommended that the city of Rochester, with 280,000 people, be

subdivided into nine sub-cities of from 20,000 to 40,000 plus the central business district as a separate sub-city with 3,900. The Rochester recommendation, however, was in fact a recommendation for metropolitan government in Monroe County, of which Rochester is a part. The GRIP report contemplated that Rochester would cease to exist as a separate entity. Perhaps because GRIP foreshadowed the demise of historic Rochester, its recommendations have not been approved by the political structure of Rochester.

Other American Experience with Urban Decentralization. The St. Paul and New York experiments and the Rochester study are outgrowths of other experiments in neighborhood control which became most prominent in Great Society programs of the 1960s. Despite the rhetoric of President Nixon's administration, most of the Great Society programs have survived. In 1975, Robert Yin and Douglas Yates concluded in their book, *Street-Level Governments*, that the neighborhood control mechanisms produced greater responsiveness to resident needs.

Even cities such as Indianapolis, Miami, and Nashville—examples of strongly centralized regional governments—have found it essential to decentralize basic service functions under the more powerful central structure. But the most surprising large city to explore municipal decentralization may be Chicago. Under Mayor Richard Daley, Chicago was reputed to be ruled with a heavy hand from on top while delivering good service at the local level. In part, Chicago's responsiveness was because of the strength of its political officials at the ward level. Moreover, even while Mayor Daley reigned, seven neighborhoods tried forms of administrative decentralization. When Jane Byrne became Mayor of Chicago she promised to devolve even greater power to the neighborhoods. Her failure to deliver was, in 1980, one source of her political insecurity.