

INCENTIVES, ENTREPRENEURS, AND BOUNDARY CHANGE A Collective Action Framework

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The authors develop an institutional choice framework to examine and interpret change in local boundaries and provide a single explanation for the use of varied instruments to create new boundaries or expand old ones. Boundary decisions are viewed as the product of actors' seeking particular outcomes within a context of existing governments and established rules governing boundary change. Selective costs and benefits, rather than collective costs and benefits, are most likely to provide incentives for institutional entrepreneurship and collective action. Such a framework is valuable because it integrates the fragmented literatures on local boundaries, provides a linkage between boundary choices and policy outcomes at the local level, and can guide empirical research into the causes and consequences of boundary change. This framework can provide the foundation of a more general model of institutional choice and institutional entrepreneurship.

The institutions and procedures that affect the allocation of scarce resources are human creations. Their development, form, and operation can only be understood by understanding the purposes they serve, the individual objectives they satisfy, and the consequences to decision makers of alternative institutions (Ordershook 1990, 14). We apply an institutional political economy approach to conceptually link the various ways that local boundaries might be changed to the behavior of actors in the urban setting. Previous study of institutional change in local government has tended to focus on collective benefits such as efficiency, scale economies in service provision, and

AUTHORS' NOTE: *An earlier version of this article was delivered at the 1999 Southern Political Science Association Annual Meeting. This project has benefited from comments on earlier work from Linda Johnson, Roger Parks, Charles Spindler, Arnold Flesichmann, Ed Benton, and Paul Lewis.*

URBAN AFFAIRS REVIEW, Vol. 36, No. 3, January 2001 382-405
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managerial professionalism. Although institutional changes have collective effects, they also have distributive consequences for individuals and groups. We argue here that these selective costs and benefits, rather than collective costs and benefits, are most likely to provide incentives for institutional entrepreneurship and collective action.

Boundaries determine who is included within a jurisdiction and define local arrangements of service provision and production, patterns of economic development, and the exercise of political power. Boundary decisions carry important distributional implications because they can determine whose preferences are decisive in public choice. Because the number and size of local government jurisdictions allocate costs and benefits to individuals and groups, it seems to be inevitable that boundary choice will be the setting in which political conflict over those allocations is settled.

In this article, we build an institutional choice framework for boundary change. We describe boundary decisions as the product of actors' seeking particular outcomes within a local context of existing governments and established rules governing boundary change. We then outline the underpinnings of a model of boundary change as collective action. This framework provides a single explanation for the use of various instruments to create new boundaries or expand old ones. This approach integrates the fragmented literature on local government boundary change by focusing on the role that boundary entrepreneurs play in seeking institutional change and examining how collective and selective incentives motivate entrepreneurial action. In conclusion, we discuss the implications of this framework for the empirical study of boundary change, suggest a research agenda to test the boundary model outlined here, and extend it to institutional change in local charters other than boundaries.

BOUNDARY CHANGE AS COLLECTIVE ACTION

Citizens interested in changing local boundaries to gain access to the powers of local institutions must overcome substantial problems of "free ridership," in which those benefiting from the boundary changes have the incentive to let others do the work of creating the change. Although the alteration of local government boundaries has received substantial scholarly attention, previous efforts have been somewhat narrow in their scope. Most work has focused on the individual instruments of boundary change: municipal annexation (e.g., Fleischmann 1986b; Galloway and Landis 1986; Liner 1990, 1992, 1993; Liner and McGregor 1996), the consolidation of governments (e.g., Carr and Feiock 1999; Durning 1995; Feiock and Carr 1997;

Lyons and Lowery 1989; Lyons and Scheb 1998; Marando 1979; Marando and Whitley 1972), municipal incorporation (e.g., Hoch 1985; Miller 1981; Rigos and Spindler 1989, 1991), and the formation of special districts (e.g., Bollens 1986; Foster 1997; Hawkins 1976; McFeeley 1978). Other scholars, although taking a somewhat broader view, have still tended to intellectually divorce the expansion or reorganization of existing jurisdictions (i.e., annexation and consolidation) from the formation of new local governments (i.e., municipalities and special districts) (e.g., Advisory Council on Intergovernmental Relations [ACIR] 1987; Burns 1994; Marando 1974; Oakerson and Parks 1988). Although these efforts provide a strong foundation, this fragmentary approach to government organization frustrates the development of a more general theory of boundary change, and it limits the contribution of this work to our understanding of local politics and governance.

The most common form of boundary change occurs through the expansion of municipal borders through annexation to include adjacent, unincorporated territories. Literally thousands of municipal annexations occur each year. The second most frequent avenue to boundary change occurs through the creation of special-district governments to provide specific services not currently provided by an existing general-purpose government or to replace service provision by an existing jurisdiction. Within special-district governments, there is substantial variation in terms of geographic scope and acceptable means of financing district activities. A third means of local boundary change occurs through the formation of new municipal governments that are typically carved out of unincorporated areas served by county governments. Citizens form these municipal corporations to provide general local government for a specified population living within a specified geographic area. Municipalities have powers of zoning that allow them to determine the nature and extent of permitted activities and, ultimately, who will be able to reside within their boundaries.

Less frequently, boundary change occurs through the unification of existing governments. Merger refers to the joining of two or more incorporated governmental units of the same level. Consolidations involve the merging of two or more governments of different levels, often combining cities and a county government. In theory, governmental consolidations leave only a single organization. City mergers are substantially more common than city-county consolidations. Nevertheless, because city-county consolidation involves the most radical change in governance structures, they can provide greater collective and selective incentives for boundary action (Johnson and Feiock 1999).

COLLECTIVE VERSUS SELECTIVE BOUNDARY INCENTIVES

Creating new jurisdictions or altering boundaries through consolidation or annexation can provide collective benefits to the entire community. Boundary adjustment and creation provide mechanisms for local actors to capture efficiency gains as well as distributive benefits. Creation or extension of boundaries can produce efficiency gains by enhancing the ability of citizens to undertake cooperative actions and provide desired services. Maser (1998) applied cooperative game theory to demonstrate that local charters can create collective gains by increasing the capacity to undertake cooperative projects such as constructing sewers and improving fire protection. "There is an efficiency value to a constitution. It allows for the resolution of collective action problems, creating value. It is not simply redistributive!" (p. 539).

Citizens who pursue boundary reforms face a collective action problem. If a group of people is interested in creating or redrawing government boundaries for collective gains, such as provision of new services or achievement of administrative or production efficiencies, each individual in the group would be better off if someone else took on the burden of forming the new governmental system. These individuals would still receive the benefits of the new institutional arrangements even if they themselves did not act to promote reform. Thus, among citizens supporting boundary change, the incentives to free ride on the actions of others are high.

The free-rider problem is severe for jurisdictional reform efforts because, even when successful, the benefits of reform are diffuse and not easily excludable. Traditionally, arguments for government formation and boundary adjustment focus on the collective gains from improved service delivery, reduction of duplication and other administrative inefficiencies, more professional public management, or perhaps the reduction of "quasi-market failure" resulting from the existing pattern of boundaries (Lowery 1998; Feiock 2000). Nevertheless, collective benefits are limited in their ability to explain why actors pursue specific types of boundary changes and not others. For example, there are far easier ways to achieve the efficiency gains promised by city-county consolidation (e.g., functional consolidations, special districts, etc.), yet there have been continuing efforts to promote this type of boundary reform (Feiock and Carr 2000). Jack Knight (1992) has proposed that institutions are best conceived of as a by-product of conflict over distributional gains. Conflict over boundaries is often defined by perceptions of differences in the incidence of service benefits, tax burdens, and minority representation created by different boundaries (Grant 1963; Hawkins 1967; Krefetz and

Sharaf 1977; Rosenbaum and Henderson 1973). Recent advances in our understanding of the circumstances surrounding policy innovation in local government (Schneider, Teske, and Mintrom 1995) and the ability of citizens to overcome collective action barriers to the reorganization of local governments (Burns 1994) direct our attention to the selective costs and benefits to these actors of pursuing opportunities to change existing boundaries.

SOLUTIONS TO THE FREE-RIDER PROBLEM

Certain provisions of state laws affect the possibilities for collective action by providing incentives and disincentives for boundary change. For example, whether boundary change occurs through annexation or incorporation not only depends on whether one or both are legally permitted but also how state rules define the collective action problem. Ultimately, the specific procedures outlined in these laws make some options harder to achieve than others because some provisions necessitate the coordination of larger numbers of citizens, and others expand the scope of conflict by involving otherwise outside parties in the process. The need to act collectively to alter boundaries means that those groups better able to organize and sustain these actions will be favored in the process. Thus, local boundaries will often be drawn to match the preference of these advantaged groups. Because boundary change efforts often involve conflicts among competing interests, in addition to the problem of organizing and motivating support for the change, the proponents of a particular set of boundaries must compete with actors seeking to redraw existing boundaries along different lines and with those interests preferring the status quo.

State governments play a central role in specifying the solutions to the collective action problem because state legislatures both define the extent of the collective problem confronting local actors and ordain the likely solutions to collective action problems through the laws they enact to govern boundary change. Given the propensity of individuals to free ride on the actions of others, the choices legislatures make in regard to the adoption of petition, referendum, and other boundary change requirements are predictable in their effect on local actors. These requirements have implications for which actors will be most able to overcome the collective action problem imposed by the law itself. In short, some actors are advantaged and others disadvantaged by the requirements for boundary change set out in state law. In addition, certain organizing and motivating strategies are encouraged and others are discouraged by the requirements included in these laws.

Institutional constraints defining the collective action problem also vary within states. Where state laws provide for multiple procedures for a particular type of boundary change or where these laws provide for multiple stages for the boundary change process, the collective action problem for various groups will be different depending on the procedure in question or the stage in the boundary change process. Boundary change laws in Florida provide an illustration. There are three separate procedures that interested actors can use for annexation. First, annexation can be achieved through petition of property owners and the enactment of an ordinance for annexation by the city council. Second, absent support from affected property owners, an ordinance for annexation by the city council can be submitted to votes of the area to be annexed (and also city residents if annual annexation exceeds 5% of the land or population of the municipality). Third, the legislature is authorized to annex unincorporated property into a municipality by special act. State law also defines a number of different types of special districts, each with its own procedures for creation. The involvement of various groups in boundary change efforts has been shown to vary significantly across annexation procedures and special district types (Carr 2000).

Although state laws define separate procedures for getting boundary change issues on the agenda and for approving the proposed change, we expect the nature of incentives and collective action problems to be different at each stage. For example, state laws generally define a two-stage process for consolidating cities and county governments. The first stage can include petition requirements, special studies, and the appointment of a commission to draft a new charter. The second stage is a referendum on the proposed charter in all affected areas. In a survey of communities where a city-county consolidation proposal has culminated in a referendum, Carr and Feiock (2000) found that the breadth of actor involvement declined from the first stage to the second. Significantly, the decline in involvement by supporters far outstripped the decline by opponents of the proposal. Building on the work of Mancur Olson (1965), Burns (1994) identified three collective action "solutions" that typically result from the boundary change laws adopted by states.

The first solution to the collective action problem is to reduce the need for collective action. States do this when they enact laws that do not require technical studies, petition signatures, referendum votes, or threshold requirements (e.g., population, tax base, land area, etc.) to alter the boundaries of existing units. In this instance, group action is not necessary, and collective action difficulties are avoided. This solution is prevalent in special-district formation laws allowing these governments to be formed by small groups and even by individuals. This solution also underlies municipal annexation

laws that permit unilateral annexation by municipalities or the voluntary annexation of individual landowners.

The second solution to the collective action problem involves the existence of an organization or group that can be used to pursue the desired jurisdictional change. In this instance, the organizational problem has already been solved, and this group becomes the organizational base for the new collective action. States encourage this solution by adopting requirements that can be met only through organized action, such as petition and referendum requirements on landowners. Organizations such as business groups, neighborhood associations, and service districts can be critical in organizing the collective efforts that are required for change.

This solution is made more likely if the numbers of residents/landowners are few and if the factors motivating group membership are directly affected by boundary change. Municipal annexations involving a few large property owners, or municipal formations proposed along the boundaries of existing urban services districts, provide examples where preexisting organizations/associations were vital to successful efforts. Burns (1994) contended that this solution is more prevalent in efforts to create new cities than in efforts to form special districts, although examples of both can be found. Her own analysis of local government formation identified homeowners associations as playing this role in the formation of new municipal governments. Similarly, Gary Miller (1981) detailed the role played by the county firefighters union in securing sufficient petition signatures for municipal incorporations in Los Angeles County. The local's interest in forming new cities was to create customers for their services, as these new cities invariably contracted with the county for fire protection.

The third solution involves the emergence of an elite group to shoulder a disproportionate share of the financial burden and mobilize diffuse interests in seeking the boundary change. In this solution, the entrepreneur provides the start-up resources necessary for organizing the effort and eventually is able to attract others to support the effort. States encourage this solution by adopting boundary laws that require substantial financial resources to meet all requirements. For example, states may often require that technical studies be made of the feasibility of forming new local governments or demand other information requiring specialized, technical staff/consultants to prepare. Also, where signed petitions are required of large numbers of landowners/residents, volunteer efforts are more likely to fail. In either case, boundary change efforts may require sizable up-front expenditures, which may not be recovered regardless of the outcome. A substantial interest in boundary change is necessary to offset the high individual cost of the effort along with an ability to persuade a sufficient portion of the landowners/residents in the

community to support collective action in the referendum or to sign the petition required for the change to go forward. Burns's (1994) analysis indicated that manufacturers often play the role of interested entrepreneur in forming new municipal governments, and developers often play a similar role in the formation of special-district governments. Rosenbaum and Kammerer (1974) also pointed to the role these entrepreneurs play in generating support for consolidation efforts.

In the next section of this article, we focus on this third solution to the collective action problem—the emergence of an entrepreneur—and address how the distributive benefits of boundary change can provide incentives for entrepreneurship. Schneider, Teske, and Mintrom (1995) proposed that the appearance of innovative policies on the agenda of local governments is the product of the variation in the supply of potential public entrepreneurs and the presence of certain community conditions and institutions that stimulate entrepreneurial activity. Like Burns, these authors constructed their theory in terms of the selective benefits of action. They argued that public entrepreneurs emerge when the selective benefits of action are high or the costs are low.

To better understand the role of boundary entrepreneurs, we conceptualize successful boundary change as a two-step process. The first step is to get the issue on the public agenda, and the second step involves the choice to adopt the proposed reform. The elements that lead to the emergence of reform on the agenda may not necessarily be the same elements that contribute to passage of the referendum after it has been proposed (Carr and Feiock 2000). In analyzing city-county consolidation referenda conducted through the early 1970s, Marando (1974) reported that 72.6% of the electorate supported proposals to conduct reorganization studies but only 46.8% supported actual reorganization of local government. Analyses of voting in more recent referenda have not been published, but judging from the high failure rate of these proposals, it is unlikely that this gap has narrowed significantly.

The gap between receiving approval to consider reform and winning support for the proposed change may reflect the substantial differences in the benefits and costs of initiating reform as opposed to sustaining collective action to enact proposals. Gaining access to the local agenda and winning a referendum that can be countywide in scope are very different activities in terms of the level of difficulty in organizing and sustaining the action and in the costs and benefits of pursuing the opportunity. It is likely that the actors interested in—and capable of—accessing the local policy agenda are different from those able and willing to pursue a countywide referendum.

Local institutional choice is nested within a system of state-level rules and constraints. Every state has created laws establishing the procedures that

shall be followed to form new local governments or expand the boundaries of existing ones. Nevertheless, the burden is on actors within the community to decide whether a change is needed. In a few instances, formal initiation may have to be made by the state legislature or by some other body, but even in these cases, the process begins with actors within the community. Thus, although state governments may be the architects of local government structure, the structure of local governments is the province of local actors (Burns and Gamm 1999). Local boundary change involves using the political system rules specified at one government level (state government) to refashion the political system at another level (local government). Yet boundary change involves elements of both voice and exit (Oakerson and Parks 1988; Sharp 1984). Local actors exercise voice by using procedures set out in state laws to legally exit the existing jurisdiction to reside in another, although the geographic location of residence does not change. In contrast to conventional images of exit, citizens are not the mobile element in those actions; instead it is their property that changes jurisdictions.

INSTITUTIONAL ENTREPRENEURS AND BOUNDARY CHANGE

We examine the role public entrepreneurs play in boundary change through a framework that identifies “boundary entrepreneurs” and identifies the actors that support or oppose boundary change issues. This requires us to specify key actors in the process and their motivations for redrawing existing jurisdictions. Annexation, consolidation, incorporation, and special districts are sometimes available as alternative mechanisms for boundary change, but the choices among them are not distributionally neutral. The parties are motivated to cooperate and participate in efforts to change boundaries in pursuit of distributional advantage. Organizational changes do not necessarily benefit everyone but instead benefit some people more than others. It is these selective distributional benefits of boundary change that provide the incentives for boundary entrepreneurs.

Several authors have attempted to identify actors and their motivations in altering local boundaries. Marando’s (1974) review of the politics of metropolitan reorganization itemized the actors typically involved in metropolitan reform. According to Marando, these reforms are most often supported by university and civic organizations, the local media, the chamber of commerce, and industrial associations. He identified several actors, including suburban (whites, businesses, media), public (government workers), and metropolitan-wide (taxpayer groups, radical conservatives), who are usually

opposed to changes in the structure and scope of local governments. Likewise, Fleischmann's (1986a) review of the case study literature on the various instruments of boundary change identified public officials, suburban residents, and business interests as promoting these jurisdictional changes to achieve various economic, political, and social benefits. The economic benefits cited by Fleischmann revolve around issues of revenue creation and the cost and distribution of public services; the political benefits stem from additional influence gained through excluding opponents or reducing the size of the jurisdiction. Those social benefits that are received result from heightened community status and social control. More recently, analyses by Burns (1994) and Foster (1997) have identified manufacturers, real estate developers, and city officials seeking to circumvent state-imposed tax and debt limitations as important actors in municipal incorporation and special-district formation.

Institutional entrepreneurship often requires both collective and selective incentives to motivate the efforts for government reform. Entrepreneurs engage in rational benefit/cost analyses when deciding to pursue opportunities for innovation. There is a population of potential entrepreneurs distributed across local governments.

Potential entrepreneurs have energies and talents they could invest in alternative spheres of activity. The rate at which they are attracted to the local public sector is a function of the costs they face in entering the public arena and the benefits they garner if they succeed. (Schneider, Teske, and Mintrom 1995, 74)

Robert Bish (1971) contended that the entrepreneurs for progressive reforms are most likely when there is a convergence of the public interest, as expressed by political reformers, and the particular interest of those advocating reform. Bish argued that one can easily conclude from an analysis of political reform recommendations that a particular socioeconomic group wishes to benevolently and paternally institute its own preferences, which it labels as the "public interest." There are collective and individual benefits to be gained by pursuing boundary changes. Moreover, these benefits are likely to be greater to certain groups than others in the community.

Political entrepreneurs discover ways to maximize individual welfare through institutional change to guarantee for themselves benefits that these institutions allow them to receive, regardless of whether these institutions benefit society as a whole (Knight and Sened 1995, 11). Potential entrepreneurs not only have an interest in reform; many of their skills may also translate well into public entrepreneurship. Expertise not only in administrative reform but also in the political process, finance, and real estate is likely to

prove valuable. In addition, the use of rhetoric and heresthetics are valuable resources for entrepreneurship. "Political entrepreneurs can challenge the status quo by rhetoric and heresthetics to make people think differently about political institutions and practices and to lead people to challenge what might otherwise seem like the fixed parameters of the political world" (Schneider, Teske, and Mintrom 1995, 110).

Until recently, explanations of boundary change neglected the implications of collective action problems and selective incentives. For example, although each of the actors identified by Marando, Fleischmann, and others might be motivated to alter the existing set of boundaries, they are not equal in their ability to do so. More than desiring to change local boundaries, actors must be able to assemble and coordinate the teams or networks of individuals and organizations that have the talent and/or resources necessary to undertake change. In other words, it is important to understand which of these actors—and in what situations—are capable of creating boundary change in line with their preferences. Table 1 outlines some of the collective and selective incentives that may motivate public officials, business organizations, and resident interests to seek boundary change.

PUBLIC OFFICIALS

Elected officials are clearly central players in decisions to annex additional territories, form special-district governments, and consolidate city and county governments. Most states give city and, to a lesser extent, county commissions a primary role in initiating and approving boundary actions. Also, government personnel such as city and county managers and employees from large service bureaucracies such as school, police, and fire departments can be important informal players in these decisions (Burns 1994; Fleischmann 1984; Messinger 1989; Miller 1981). Public officials of existing governments have less of a formal role to play in the incorporation of new municipal governments, as state laws generally leave these decisions to residents in unincorporated areas. However, several studies suggest that public officials from the county and nearby city governments often attempt to prevent these new municipalities from forming because these new jurisdictions siphon current revenues and customers from the county and future revenues and customers from nearby cities (Burns 1994; Miller 1981).

As boundary change involves the alteration of existing jurisdictional lines, there will often be two or more sets of public officials involved in these decisions. The resulting transfer of rights and responsibilities from one jurisdiction to another may put officials from city and county governments on opposing sides. However, not all boundary adjustments are city-county issues.

TABLE 1: Definition and Goals of Boundary Actors

<i>Actor</i>	<i>Definition</i>	<i>Collective Goals</i>	<i>Selective Goals</i>
Public officials	Municipal elected officials County elected officials Government employees	Community leadership Community leadership Public service	Political power and reelection Political power and reelection Job protection and greater autonomy
Business associations	Chamber of commerce and merchants, media Manufacturers Developers and contractors	Community image and status Economic development Economic development	Financial gain Financial gain Financial gain
Resident/citizen organizations	Civic groups, good government organizations Academics and professional organizations (ASPA) African-American community, racial and ethnic minorities Homeowners associations; tax control groups	Accountability and “good government” Progressive reform and “good government” Representation Lower taxes, greater access, and efficiency	Status, prestige, and membership Influence and program expansion Greater influence, access to government Lower individual taxes, exclusion

Some changes, such as the creation of large special districts, affect multiple city and county governments, although the narrow purpose of these governments may generate little opposition from the affected governments. Other boundary changes, such as the incorporation of a new municipal government, may only directly affect the county government, as the new municipality will ultimately displace some services currently provided by the county. Of course, preexisting cities may also be interested in the outcome, as incorporations along their borders prevent annexation of the same area by these cities in the future. Occasionally, public officials from third-party governments may also have a role in decisions regarding boundary change. For example, Florida requires that petitions for municipal incorporation be approved by the state legislature. Traditionally, these petitions have not received legislative approval unless all of the affected governments consent to the boundary change and the proposed incorporation is approved by a majority vote of the citizens in the affected area.

Public officials find municipal annexation and the formation of special-district governments to be particularly effective strategies for altering service arrangements. Boundary change through city-county consolidation or municipal incorporation will generally be less attractive options for public officials. Indeed, public officials are often the most vigorous opponents of these proposals. The need to locate additional revenues or to spread existing costs over a larger population may prompt public officials to seek the annexation of suburban territories and people. Public officials may also pursue annexation as a way to reduce municipal expenditures on a per capita basis.

Like annexation, the formation of special districts can be a useful strategy for public officials to achieve service delivery goals. Unlike annexation, however, the use of special districts to deliver public services is a strategy likely to increase total government spending within the community (Foster 1997). Public officials find that the creation of special districts is particularly useful for circumventing expenditure and debt constraints on municipalities and for altering the level of redistribution occurring through service delivery (Porter et al. 1992). Nevertheless, the value of districts to city officials is reduced to the extent that control is limited and district officials are responsive to "low-power" administrative incentives rather than "high-power" political incentives (Frant 1997).

Special-district autonomy is increased where districts span several existing governments and where the district's activities are funded through user fees or dedicated revenue streams. The creation of special-district governments as a strategy to protect specific functions requires that public officials balance the benefits of insulation from political influence against the costs of reduced control over service delivery by the local government. For this

reason, when feasible, public officials can be expected to prefer “dependent” special districts, subordinate to the local government and directed by officials appointed by the municipality’s governing board or its elected executive officer.

Public officials rarely use municipal incorporation as a strategy in service delivery issues. In the first place, there are no municipal officials in place to pursue this option if there is no municipal government. Second, county officials have generally been hostile to the creation of new municipal governments within the county because of the impact these incorporations have on the county government’s ability to provide services to unincorporated areas. An important exception to this is the role that county employees have played in the creation of the “Lakewood” cities in California. Miller (1981) has shown that the success of these incorporation campaigns depended heavily on the willingness of county firefighters to canvas neighborhoods in support of the referendum creating the new municipality. Likewise, these incorporations would not have been possible without the acquiescence of elected officials in county government. Miller concluded that the support of county-elected officials and public employees for the “Lakewood” cities was due to the fact that these cities provided almost no public services themselves, instead relying on contracts with the county for their public service requirements.

Traditionally, city-county consolidation has not been generally associated with officials of city or county government because of its radical effect on the existing structure of government in the county (Krefetz and Sharaf 1977). However, Carr and Feiock (2000) have shown that although county officials typically oppose city-county consolidation, city officials often support these efforts. Thus, in some circumstances, consolidation can be an attempt to expand the power and jurisdiction of city officials. When city leaders anticipate retaining office in the new government, consolidation can amount to a hostile takeover of the rest of the county. Government employees’ interests in boundaries parallel their elected counterparts. Changes that extend the scope and powers of their jurisdiction can enhance autonomy and job security.

BUSINESS ORGANIZATIONS

Somewhat surprisingly, systematic examinations of the role of business interests in creating boundary change have been infrequent. Although scholars of urban politics have long recognized the role of business interests in local policy decisions, these interests have not always been prominent in explanations for boundary change. Studies have instead emphasized the role of public officials, suburban residents, and various civic organizations in explaining the success or failure of metropolitan reforms (e.g., Marando

1974). To the extent that business interests were considered in studies conducted prior to the mid-1980s, they were mostly seen as secondary to these other actors. Recent work has posited a more central role for local business interests in determinations of jurisdictional choices. The evidence is at times conflicting, but the influence of business in local boundary changes is apparent for specific boundary change instruments. For example, Burns's (1994) research on the formation of new governments demonstrated that business interests were active participants in the formation of special districts and the incorporation of new municipal governments for much of the past 50 years. Additional evidence has been provided by Fleischmann's (1984, 1986a) analysis of annexation activity in Milwaukee, Wisconsin, and San Antonio, Texas, from 1940 through 1980. He found that business interests—often in coordination with public officials—were active players in annexation decisions throughout the period. The role of business interests in city-county consolidation has yet to be subjected to rigorous analysis, but several authors contend that business interests may be active opponents of consolidation proposals because these countywide governments reduce their influence and inhibit their ability to carve out the narrow jurisdictions better suited to their needs (Burns 1994; Carr and Feiock 1999).

As in the case of public officials, business organizations do not necessarily share the same interests. These interests differ across industries and from one firm to the next (Schneider 1989). Burns (1994) found that manufacturers seek to form new municipal governments to shield themselves from higher tax jurisdictions, whereas real estate developers are more interested in forming special-district governments that can raise funding for infrastructural improvements benefiting their properties. These studies suggest that the interests of business vary and that preferences for boundaries do as well.

Business organizations are strong candidates to become boundary change entrepreneurs. Although business organizations are not provided with the level of procedural access given to public officials, the initiation and approval processes set out in state laws generally work to their advantage. By definition, business organizations are organized and are often well financed. These characteristics give business organizations an advantage in translating their preferences into boundaries. Another advantage that business interests possess is their perceived importance to local economies (Schneider 1989). A number of studies suggest a substantial degree of cooperation between business and public officials with respect to boundary change (Fleischmann 1984).

RESIDENT OR CITIZEN INTERESTS

Like public officials, the role played by an area's residents in creating or preventing boundary change has received considerable attention. However, unlike public officials, resident interests may take any number of forms. For example, resident interests that might act as a boundary entrepreneur include homeowner associations or civic organizations. Boundary entrepreneurs may also include anti-tax groups and religious organizations, or instead, citizen interests may coalesce along racial, income, or geographic differences, such as coalitions of wealthy suburban whites or poor urban blacks. Ultimately, resident interests are all those parties that are not public officials or economic actors seeking boundary change because of its effect on their business interests. This does not imply that any or all of these actors truly represent the general interest of the citizens of the community but merely that their motivations are not rooted in their roles as economic or governmental actors. A variety of studies have documented the importance of these and additional resident interests in attempts to reorganize local boundaries through annexation and city-county consolidation (Marando 1974; Messinger 1989; Burns 1994). Most of these analyses focus on the role played by suburban residents in opposing boundary change, many of whom are believed to be white and wealthier than those residents in the central city. Unfortunately, this narrow focus has resulted in exclusion of other resident interests in the community.

Previous studies of boundary change suggest substantial conflict among resident interests, especially along the lines of income, race, and geography. Of course, the nature of the conflict over boundary change proposals depends on the instrument used. Instruments such as city-county consolidation and special-district formation involve changes simultaneously affecting large numbers of people, whereas boundary changes through municipal incorporation, especially annexation, normally involve smaller populations. A number of studies have concluded that boundary change through either annexation or city-county consolidation stimulates conflict in terms of location; city dwellers are pitted against residents from unincorporated areas of the county. Indeed, studies that examine the outcome of referenda on city-county consolidation proposals show that although city residents generally approve these proposals, residents in the county almost always reject consolidation (Marando 1974). Explanations for county residents' behavior range from differing preferences for service provision to tax avoidance to racial prejudice. Indeed, speculation that the racial composition of jurisdictions plays an

important role in opposition to boundary change is common. Racial exclusion motives can underlie the use of each boundary instrument (Weiher 1991).

Analyses of annexation activity are studies of the politics of consolidation writ small. These studies suggest that opposition to municipal annexation results from higher income and white residents of the targeted areas' rejecting the boundary change to prevent higher taxes, greater racial diversity, or decreased local control. Interestingly, conflict over municipal incorporation is largely explained in terms of city or county governments' opposing the loss of population and tax base represented by the new government (McCabe 1997). These same studies often suggest that municipal incorporation is a preemptive move by the residents of unincorporated areas to prevent future encroachment by nearby cities that might seek to annex them (Burns 1994; McCabe 1997). Finally, studies of special-district formation are not generally concerned with conflict and implicitly suggest that resident opposition to these governments is infrequent (Foster 1997; Porter et al. 1992).

Although individual residents normally lack the financial and organizational resources to be thought of as boundary entrepreneurs in the same vein as public officials and business interests (Hoch 1985), many of the resident interests described in this section already exist as organized groups. For example, religious, civic, and educational organizations may already have sufficient organizational and financial resources to act as boundary change entrepreneurs. In some cases, these interests may have the same ability as business interests to translate their preferences into boundaries, though this ability may be constricted somewhat by the small size of many of these organizations and by the other interests of their members. Unfortunately, it is difficult to know the answer to this question because extant research has not examined the impact of these various resident interests on boundaries.

Based on this examination of selective interests in boundary change, we expect that each actor's preference for specific types of boundary change will be a function of the selective benefits it will provide. This will not be the same in each instance because state-level rules define the payoffs from each type of boundary alteration. In addition, these rules determine the actors' ability to transform their preferences into boundaries because they determine the costs of pursuing each type of boundary change.

THE SUPPLY OF INSTITUTIONAL ENTREPRENEURS

Two kinds of state-level rules are crucial to the supply of potential boundary entrepreneurs and the choices made by local actors in a public economy

(Oakerson and Parks 1988, 1989; Parks and Oakerson 1989). The first is those rules establishing the range of powers authorized to local units. Among these are the “classificatory” rules of association that define the specific powers authorized to particular types of local government. Also, fiscal rules detailing permissible revenues and debt are included. Those rules limiting the power of particular types of local units, such as tax and expenditure limitations on municipalities, or debt limitations on special districts are particularly important. Together, these rules establish the extent of fiscal, structural, and functional “home rule” to local units or varying types. These powers are the “prize” (Burns 1994) that local actors seek through government formation. By defining and limiting the authority of each type of local unit, these rules play a central role in the boundary choices made by citizens. This suggests the proposition that the ability of various actors to successfully pursue their boundary preferences will be a function of the public powers that the boundary change would enable the actors to access.

The other rules of interest are the “constitutive” and “reconstitutive” rules establishing the procedures that local actors must follow to alter local government boundaries. Of particular concern are differences in the initiation and approval provisions set out in state law. Initiation requirements vary across states and among different forms of boundary change within the same state. State law often establishes petition requirements, by which a number of local citizens are able to consider a change in existing boundaries. Particularly important are rules limiting the right of petition to certain actors, such as the residents and/or landowners in a particular area or jurisdiction. Approval provisions also vary by state and among boundary change instruments. The provisions often dictate election requirements through which communities are able to decide whether to alter existing boundaries. Particularly important are those voting rules limiting participation to certain actors and those establishing minimum approval thresholds. Variations in initiation and approval provisions affect the interests, abilities, and strategies of local actors in boundary change. Certain provisions make boundary change relatively easy for certain actors and difficult for others. Some actors are excluded altogether from boundary change by these rules, but others are given a central role in the process. Classificatory rules that increase the distributive benefits of new boundaries and constitutive/reconstitutive rules that lower the costs of these changes are expected to increase the supply of potential boundary entrepreneurs. This suggests the proposition that state rules that lower the cost of boundary change enhance the ability of actors who derive selective benefits to successfully pursue their boundary preferences.

Certain circumstances and community characteristics influence the supply of entrepreneurs and can stimulate entrepreneurial behavior. Schneider, Teske, and Mintrom (1995) conceptualized these conditions as community-based factors that alter the costs or benefits of entrepreneurial action. Their empirical work examined the role played by regional location and by political, fiscal and budgetary, and demographic factors in the probability of finding an entrepreneur in a community. They concluded that these conditions create systematic opportunities for (or barriers to) political entrepreneurship. Thus, an analysis of the promotion of boundaries must also consider the role played by events within the community.

Community conditions have been linked to proposals for various types of boundary change (Burns 1994; Foster 1997), but the most systematic examination of the role of community conditions in stimulating proposals to alter local boundaries comes from the literature on the consolidation of local governments. Rosenbaum and Kammerer's (1974) work on modeling "successful" consolidation referenda developed a model of the consolidation process that identifies key events that disturb the citizen-government relationship and, in doing so, stimulate reform proposals. Among these are rapid population increases, substantial changes in the racial and/or socioeconomic composition of the community, and a shift in the community's economic base or an outright decline in local economic activity. These and similar events create a "crisis climate" in the community that, if the existing government is unable to create an adequate response, is expected to erode support for the government and initiate demands for reorganization.

These rapid changes and highly visible events create opportunities for entrepreneurial behavior. Business, civic, and academic elites often play the key role in seizing the opportunity created by a crisis climate to put boundary change on the agenda, seeking to undermine public confidence in the existing administration (Rosenbaum and Kammerer 1974; Johnson and Feiock 1999). Marando (1974) observed that reform proposals were not the product of grassroots movements to improve local government but were instead efforts initiated by community elites. However, he also concluded that although these elite groups were adept at recognizing and articulating "government problems," they were often unable to convince the public that these problems were important enough to undertake a major reorganization of local government. Marando's analysis underscores an important point about collective action; certain actors may be effective at getting reform on the local agenda but may lack the resources necessary to sustain a successful campaign, particularly when a referendum in both the city and the county is required.

DISCUSSION

The collective action model described here provides a framework to organize and interpret empirical studies of change in local boundaries. By providing a single explanation for the use of these varied instruments to create new boundaries or expand old ones, this framework serves to integrate the often fragmented literature on local government boundary change. This conceptual framework views boundary decisions as the product of actors' seeking particular outcomes within a local context of existing governments and established rules governing boundary change. Actors, strategies, and outcomes change over time as past decisions foreclose some possibilities and create others. Importantly, those factors that explain boundary change decisions in one community or period of time may be less important in others, as actors shape the context of boundary change and this context shapes future motivations, strategies, and actors. Such a framework is important to the field of urban politics because it provides a linkage between the boundary choices and policy outcomes at the local level.

This framework should have great utility for empirical research into the causes and consequences of local government boundary change. Evidence from initial efforts provides support for many of the propositions advanced here. For example, state-level, time-series, cross-sectional analysis has provided evidence that variations in the procedural rules governing boundary change influence both the frequency and type of boundary changes that occur (Carr 2000; Carr and Feiock forthcoming). Carr (2000) also demonstrated that variations in the extent of functional, structural, and fiscal home rule provided to municipal and county governments affect the boundary choices made by local actors. For instance, where counties are permitted greater home rule, citizens in unincorporated areas are less likely to seek municipal annexation, form new municipal governments, or form subcounty special-district governments.

The framework developed in this article suggests several propositions for empirical investigation relating to the actors' preference for specific types of boundary change, their mobilization and entrepreneurship in pursuit of boundary change, and the likelihood of success in changing boundaries. First, we expect that the preference of each type of actor for various types of boundary change will be a function of the expectations they hold regarding the selective benefits derived from the specific type of boundary change. Second, the mobilization of these actors in pursuit of their boundary interests will be a function of the distributive payoffs as defined by state laws and local context, the difficulty of pursuing their boundary choice as determined by state

rules and existing configuration of boundaries, and the abilities and resources of the actors. Third, the success of various actors in pursuing collective action to change boundaries may be different at the agenda-setting stage than at the approval stage.

Identification of boundary entrepreneurs is a more complex undertaking than are analyses of state-level rules, and extant research has only begun to explore the role played by these actors. Surveys of actor involvement in municipal annexation, municipal incorporation, and special-district formation (Carr 2000) and city-county consolidation (Carr and Feiock 2000) have provided some evidence that their involvement differs across types of boundary changes and across different procedures for the same boundary instrument. Recent study of subdistricting of cities (Baer and Marando 2000) also has provided evidence that the creation of community benefit districts is also shaped by boundary entrepreneurs.

Efforts to more systematically apply this framework and test these propositions will require examination of state-level rules and local-level actors together. This would likely require a national-level survey or a set of comparative case studies that identify individuals and groups that acted as entrepreneurs for specific types of boundary changes. After examining the effects of state laws and local contextual factors on the emergence of boundary entrepreneurs, the effect of these actors on actual boundary changes could then be assessed. Such work promises to contribute to our understanding of local politics and urban governance by accounting for boundary decisions as the product of actors' seeking specific outcomes within the constraints imposed by the existing organization of governments and intergovernmental rules.

Finally, we also hope this approach will be extended to address other institutional choices for local governance. The conceptual framework developed here is not necessarily limited to boundary decisions, but it can provide the foundation of a more general model of institutional choice and institutional entrepreneurship. Charter reform at the local level is shaped by institutional incentives derived from state-level constraints and community conditions that generate demands for institutional change and determine the supply of potential institutional entrepreneurs (Johnson 2000). Changes in the form of government, the choice of district versus at-large representation structures, and the powers of local offices provide examples of local institutional choices that may be illuminated by reexamination under the light of this collective action model of institutional choice. William Riker (1982) noted that losers in the political process have incentives to promote change and create new structures by displacing the stable equilibrium. This is the role of the institutional entrepreneur.

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