Interlocal Agreements as Overlapping Social Networks: Picket-Fence Regionalism in Metropolitan Kansas City

Public policies addressing complex issues require transjurisdictional solutions, challenging hierarchical modes of public-service delivery. Interlocal agreements (ILAs) are long-established service-delivery instruments for local governments, and research suggests they are plentiful, with a majority of cities and counties involved in at least one ILA. Although ILAs are an established feature of local government operations, previous research is atheoretical, largely descriptive, and unsystematic. This article explores ILAs as social network phenomena, identifying the rationales and underlying values for various ILAs, central and peripheral actors, and brokering roles. In particular, we explore the utility of incorporating network exchange theory into public management network models to identify the relative power of actors in network exchange relationships. We find that a “norm of reciprocity” culture predominates an economizing value as the rationale for an abundance of service-oriented policy networks that produce a picket-fence regionalism of ILA participation in the Kansas City metropolitan area.

“"The metro area has problems; the people have cities.”
—A sage quoted in Frederickson (1999, 25)

Introduction

This is a story about multiple, overlapping social networks in the Kansas City metropolitan area (KCMA). It is the story of a picket fence of epistemic communities that is found throughout the KCMA, in which the pickets tend to span horizontally across cities, counties, school districts, and special districts, but seldom vertically to the state or national governments. It is the story of a newly relevant governance model that is actually a long-established mode of public administration: interlocal agreements (ILAs). ILAs are a subset of public management networks, an area of increasing scholarly and practical interest in public administration. Much of the recent literature on networks has raised important questions about the management issues of public management networks and calls for both theoretical and empirical research. We accept this challenge in a small study of interlocal agreements in the KCMA. We argue that public administration theorists need not reinvent the wheel, but should look to the well-developed body of theoretical literature on social networks rooted in sociology. We illustrate our argument with evidence from our study of ILAs in the KCMA.

ILAs are long-established service-delivery instruments for local governments. Research on intergovernmental agreements suggests such activity is extensive, with a majority of cities and counties involved in at least one ILA.
sovereignty are declining in importance, and transjurisdictional solutions. Jurisdictional borders and policies addressing complex issues require theoretical reasons. Modern governance is challenging traditional administrative leadership (Bartle and Swayze 1997; Morgan and Hirlinger 1991). The ability of ILAs to offer specialized services (Tees and Stanford 1972) and to reduce fiscal stress (Bartle and Swayze 1997) also may spur ILA participation, although Morgan and Hirlinger find that both wealthy and poor jurisdictions find intergovernmental contracts appealing. Finally, interlocal agreements are more likely to occur in more populous jurisdictions (Bartle and Swayze 1997), especially metropolitan areas that have administrative leadership (Bartle and Swayze 1997; Morgan and Hirlinger 1991).

ILAs deserve renewed attention for practical and theoretical reasons. Modern governance is challenging traditional, hierarchical modes of public-service delivery. Public policies addressing complex issues require transjurisdictional solutions. Jurisdictional borders and sovereignty are declining in importance, and “there is a corresponding decline in the capacity of jurisdictions” to manage some public policy issues (Frederickson 1999, 7). “Preferences for limited, liberal government in the context of widespread support for action,” O’Toole notes, “encourage complex, networked mechanisms for service delivery and management—extending the reach of government programs while loosening the immediate managerial grasp” (1997, 46). Cooperative, multiorganizational networks such as ILAs have become common mechanisms for delivering a variety of public services, yet we lack acceptable methodologies to evaluate their effectiveness (Provan and Milward 2001; O’Toole 1997). ILAs should be an important element of our growing concern about measuring public-service-delivery mechanisms.

Extant empirical studies suggest the rationale for ILAs is most frequently cost savings for a local government that does not wish to provide the service itself. A related rationale for ILAs may be lowered transaction costs for local governments, which may believe ILAs require less monitoring than contracts with private-sector providers. This requires a certain level of trust between the two (or more) governments in the ILA, and trust may be easier to find among local governments than between the public and private sectors. In such cases, trust may substitute for monitoring transactions, thereby lowering the costs of the ILA for the government receiving the service from the local government provider.

The small body of research on ILAs raises several questions: Is economizing really the most common reason for participating in an ILA? For example, are ILAs viewed as substitutes for contracting with the private sector or other forms of privatization? If so, is trust an important substitute for transaction monitoring? How is trust established, and how does it endure? What are other rationales for ILAs, and how common are they relative to economizing? What values underlie these other rationales? Many of the municipalities in the Wilkes survey cited a “tradition of cooperation within their area” as an influential factor in their ILA participation (1975, 7). Many of the interlocal agreements in the Wilkes survey and in the Tees and Stanford (1972) survey were longstanding. Social network theory supports the notion that the long-term nature of intergovernmental relationships leads to “norms of reciprocity” that can be a stronger incentive for ILA participation than purely self-interested economizing. Mutual-aid pacts for police and fire services are only indirectly economizing measures. These pacts reduce the level of uncertainty for a jurisdiction more directly by providing the necessary personnel, equipment, or services from another jurisdiction during emergency or crisis situations. Through the use of mutual-aid pacts, jurisdictions only need to finance these costs on an as-needed basis.

Frederickson (1999) argues that as a result of the disarticulated state (fuzziness of borders, declining importance of jurisdiction, transjurisdictional problems), public administration is moving toward theories of cooperation and networking. According to Frederickson, professional staff are more likely to be connected and engaged with their counterparts in other jurisdictions than elected officials. Administrative conjunction is specifically designed to address the issues associated with high jurisdictional fragmentation. The cooperative arrangements derived from administrative conjunction result from a shared understanding of interdependence and a need to reduce uncertainty (Frederickson 1999). The theory of administrative conjunction is substantiated by Morgan and Hirlinger (1991), Bartle and Swayze (1997), and Meek, Schildt, and Witt (2002).

This article explores ILAs as social network phenomena, identifying the rationales and underlying values of various ILAs, central and peripheral actors, brokering roles, and the relative power of actors in network exchange relationships. Our treatment relies more heavily on social network theory as articulated in the sociology literature than on more recent public network literature. The primary reason for this tactic is our desire to return to the roots of network theory to understand the dynamics of the ILAs we have studied. As Agranoff and McGuire note (1999a, 1), we need to find new models to explain organizational networks, and perhaps a look outside the field of public administration may be helpful. As O’Toole (1997, 48) suggests, sociologists have developed rich conceptualizations that need to be applied to public ad-
administration issues. In particular, we explore the utility of incorporating network exchange theory into public management network models.

Social networks are studied in a variety of ways, and the extensive literature analyzes many facets of social networks in the United States and in international contexts. Pertinent questions include the key actors in the network organizations, the shared values or interests that serve as the “glue” holding the organizations together, and the power relationships within the networks. Discussions about ILAs should be viewed as a subset of what is becoming the body of public management network scholarship. There is a growing literature on public management networks (including Meek, Schildt, and Witt 2002; Provan and Milward 2001; Agranoff and McGuire 1999a; Mandell 1999; Jennings and Ewalt 1998; O’Toole 1997; Chisolm 1989). There is also a related social network literature that is debated largely among sociologists and social psychologists (Degenne and Forse 1999; Valente 1995; Knoke 1982; Granovetter 1982; Cook 1982; Lin 1982; Galaskiewicz 1979; Emerson 1972). While there are the beginnings of some crossover research (Agranoff and McGuire 1999b; Provan and Milward 2001; O’Toole 1997), there does not seem to be much overlap between the two groups of scholars. They are concerned with different issues: Sociologists tend to focus on network structure and power relationships, while public administration scholars emphasize accountability and management issues. But as Agranoff and McGuire suggest, as we delve into deeper questions about public networks, it may be valuable to revisit the social network literature to help explain important issues.

After describing the essential elements of social network theory, the article maps the results from an exploratory field study of ILAs among local governments in the KCMA in terms of network exchange theory. We find the economizing value is not the predominant rationale for ILA participation, and the complexity of ILAs in the KCMA reveals a multitude of overlapping networks that often—but not always—percolate ILAs from informal ideas into formal, written agreements that are affirmed and accepted by city and county commissions. The study suggests that ILAs are an important research area that requires much more study to gain a better understanding of the efficiency and effectiveness of providing different modes of service delivery.

Explaining ILAs as Social Networks

Social Network Analysis

Our social network analysis of ILAs begins with some important concepts that underlie network structures. First, we view local governments as self-interested organizations pursuing goals of service delivery to their citizens. The goals are to provide effective services at the least cost to taxpayers. Actors allocate resources to various services based on criteria, and criteria are based on information from the surrounding economic and political environments. Jurisdictions can be buffeted by poor economic conditions that lower tax revenues and threaten service delivery, and they can be shocked by changing political winds that alter the composition of elected officials and, potentially, the mix of public services and revenues. Consequently, local governments attempt to control their environments to reduce uncertainty. Controlling as many factors as possible reduces potential variation in conditions and improves the predictability of revenues and service-delivery effectiveness.

An important strategy for reducing environmental uncertainty is gathering and sharing information with other organizations (Galaskiewicz 1979, 20–21). These transactions create interdependency among organizations. Jurisdictions will not share information unless both believe the information is reliable and credible—in other words, there must be mutual trust. Through the sharing of information, jurisdictions can reduce information transaction costs and devote scarce resources to more effective service delivery.

A local government can be involved in many dyadic relationships with other local governments. Each of the other local governments, in turn, can be involved in dyadic relationships with other local governments. Together, the set of dyadic relations forms a macro-level social structure that comprises a set of actors in a social network. It is important to note here, as we will show later, that the creation of these macro-level social structures may alter the environment in which the organizations function. Over time, the series of network exchanges can foster a “tradition of cooperation” (Wilkes 1975, 7) that induces further forms of cooperation. In a social exchange network that spans a metropolitan region, for example, one would expect to find a variety of interdependent relationships.

Social Exchange Networks

These important features suggest the appropriate context for ILA analysis is thinking about the underlying social networks as exchange networks. Many forms of social structure can be represented as networks of connected exchange relations, and actors are identified as individuals or organizations. For the moment, the argument here focuses on jurisdictions as organizational actors, but it is not easy to separate individuals from their organizations when one analyzes the dynamics of ILAs. An exchange network is simply a set of two or more connected exchange relations, and exchange networks represent the structure of resource dependencies across various positions in a social network. Exchange categories are sets of actors that occupy the same exchange domain, and an important feature is that the actors are “substitutable” because they have
the same resources to offer. Actors can be alternative sources of the same resource, and access to alternative sources is an important determinant of power in an exchange network (Cook 1982, 177–83).

Exchange relations can be positively or negatively connected (Emerson 1972). Exchange relations are connected if exchange in one relation is contingent on exchange or nonexchange in the other relation. In such a case, “the magnitude or frequency of transactions in one relation is affected by the magnitude or frequency of transactions in another relation” (Cook 1982, 180). In negatively connected relations, the exchange in one relation decreases the likelihood of exchange in the other relation. For example, if Kansas City, Missouri, has a limited capacity to contract with outlying towns for actual fire suppression services, and if it agrees to increase fire service to town A, it will decrease the likelihood of providing additional fire services to town B. Similarly, if an independent school district and a city both request funding from the county, even for different services, we expect a negatively connected relation, because the ability to fund the school district service partially depends on the county’s willingness to fund the city service.

In positively connected relations, the exchange in one relation increases the likelihood of exchange in the other relation (Cook, Molm, and Yamagishi 1993). If the county and school district, for example, decide to create a joint warehousing and purchasing ILA, a positively connected relation would increase the likelihood the city will agree to participate in the ILA. Exchange theory is concerned (in part) with the strength of the contingencies affecting the actual flow of resources within the network. That is, the exchange in one dyadic must be contingent on the exchange in another dyadic to constitute an exchange network (Cook 1982, 181).

Social network theory identifies central and peripheral actors based on the frequency and types of dyadic interactions. The network relationships are measured in several ways, including centrality and structural equivalence (Degenne and Forse 1999, 132–58). Central actors have interactions with the most actors in the network or are physically located in the center of the network space. Two actors are considered to be structurally equivalent if they have identical relations with all positions in the network. Peripheral actors are physically located at the perimeter of the network space or have less frequent (or infrequent) interaction with other network actors. Network actors are inclined to enter into exchange relationships when there is a benefit that meets or exceeds the cost of the exchange.

Social network theory identifies three types of power in a social structure: (1) different levels of control over valuable resources; (2) different proximity to actors who have control over valuable resources; and (3) different levels of influence over other actors (Burt 1977). There are strong power and weak power actors (Willer 1999). Network power and network position are related in complex ways. Centrally located actors tend to enjoy a position of privilege relative to peripheral actors because power is expected to be concentrated in network hubs or central positions (Degenne and Forse 1999, 132). Actors in central positions assume leadership roles because they have a special interest in resolving conflicts in order to maintain their own power in the community. They control a special resource for conflict resolution—“the potential to draw other actors into a problem-solving coalition” (Galaskiewicz 1979, 30). However, centrality and power are not necessarily synonymous, as in the KCMA, and the issue requires more research.

As social networks develop, a broker role may emerge, in which centrally located actors (individuals or organizations) work on behalf of collective interests (Marsden and Lin 1982; Lawless and Moore 1989; Mandell 1984; Provan and Milward 2001). Provan and Milward refer to the network broker as a network administrative organization, who has the key role of disseminating funds as well as managing the network. The broker role may be best measured by centrality to network activity—not necessarily by actor size or political dominance. Consequently, counties may not always play the broker role, nor may the largest city in the metropolitan area. At first glance, the local council of governments or regional planning authority may appear as the network broker, but this, too, may be deceiving. The council of governments or planning organization may not be a member of every network in the metropolitan area. In addition, there may not be a broker role in every local network. Lawless and Moore (1989, 1176) suggest that a strategy maker in a public-service network plays a “multilateral broker role among member agencies and their environment.” They agree with Mandell’s (1984) concept of a multilateral broker with a continuum of shared power, from a strong centralized decision maker to a passive observer of network transactions.

Brokers gain power in networks because they offer a unique resource to other actors: the ability to connect with many more actors in the network. The brokerage role assumed by intermediary actors facilitates transactions among other actors who lack access to or trust in one another. While it may be possible for an actor to connect with other actors in multiple dyadic relationships, the transaction costs are lower when the actor uses the broker as an intermediary, and the greater efficiency allows the broker to extract some “payment” from each actor (Marsden and Lin 1982, 206). Marsden and Lin argue that factors such as ideological similarity, limited trust, commitment to particular exchange relations, and social homogeneity influence actors to exchange with only a limited set of actors in the social system.
Each of these subsets (of transaction routes) constitutes an access network. This leads to some important features of exchange networks. Some access networks are larger than others, and the size of the access network affects the number of alternative sources of resources—and thus relative power—of the actors. This allows some actors to assume the brokerage role, engaging in purposive actions that facilitate exchanges among other actors who lack direct access (Marsden and Lin 1982, 204–6). This brokering behavior need not be exploitive, especially with respect to positively connected networks, as in mutual-aid pacts among local governments.

Brokers have a keen interest in providing effective intermediary services. If they are ineffective, the peripheral actors may reroute their interactions, potentially to another intermediary. The consequence for the broker is lost resource payments from previous network “customers,” and potentially lost prestige and influence. Therefore, the broker’s value-added service must be greater than the cost to the peripheral actors of using the broker.

Peripheral actors are still important to social networks, however. Although they tend to have weak links to core network actors, they are also most likely to serve the network by bridging to other networks and are referred to as “weak ties” in the literature (Granovetter 1973, 1982; Emerson 1972). In a sense, the actors who function as weak ties may belong to multiple networks, depending on how one draws the networks’ boundaries. Peripheral actors also are more likely to adopt risky, innovative practices more quickly than central network actors (Valente 1995, 37). In this way, peripheral actors who function as weak ties may embolden the network to respond more radically to environmental changes affecting the network actors.

We believe the concepts of social network theory are promising instruments for understanding the creation and maintenance of ILAs. We argue that ILAs are predominantly, but not exclusively, grounded in positively connected exchange relations, with central actors, peripheral actors, and “weak ties” that bridge multiple networks. The incentives for ILA participation are rooted in the self-interest of local governments, although this is not based exclusively on lower transaction costs.

**Methodology: An Exploratory Study**

The Kansas City metropolitan area provides a unique laboratory for the study of ILAs. With a growing population already exceeding 1.6 million, the KCMA straddles two states—Kansas and Missouri—and includes more than 150 different units of local governments: 114 cities, eight counties, more than 30 school districts, and numerous special districts. A comprehensive study of metropolitan ILAs would need to survey a larger representative sample of these local governments, but that was not possible given our limited resources (both time and money).

We used a comparative case study research design and chose counties and cities for our exploratory field study that provided local governments with contrasting histories and demographic qualities to enhance variation in the sample. The sample was divided across the state line, with one county and two cities from each state. Jackson County, Missouri, encompasses the cities of Kansas City and Independence, Missouri (though not exclusively). Kansas City, Missouri, actually spills across four counties, but about half of the city is located in Jackson County. Johnson County, Kansas, is a suburban county in the southwest section of the metropolitan area and is one of the fastest growing and wealthiest counties in the United States. It includes the cities of Olathe (the county seat) and Overland Park. Olathe is a full-service city with a long history as a city independent of Kansas City, Missouri. Overland Park is a relatively new suburban city (incorporated in 1960) that has grown rapidly in the last several decades. Olathe, Overland Park, and Johnson County have appointed professional chief administrative officers (CAOs). Likewise, Kansas City, Missouri, and Independence have an appointed professional CAO, but Jackson County has an elected CAO who also serves as the chief executive officer (CEO), the equivalent of a “strong mayor.” The Jackson County CEO/CAO, in turn, appoints three managers as assistants.

We interviewed the chief administrative officer and the chief financial officer (CFO) of each jurisdiction. In several localities, we also took the opportunities that were offered to interview key assistants whom the CAO or CFO had designated as key ILA actors for their jurisdiction. In addition, we also interviewed the executive director and manager for government innovation at the Mid-America Regional Council (MARC), the regional planning organization for the KCMA.

The interviews followed a combination of predetermined and extemporaneous open-ended questions. The interviews resembled conversations that probed the answers generated by specific questions about ILAs (to provide an empirical survey of ILA activity) and interpersonal relationships among metropolitan government actors (to test the correspondence of ILAs and underlying social networks). Each interview lasted 45–60 minutes and was taken in the office’s office. The interviews occurred over several weeks, as schedules allowed. Although we tried to interview all of the key actors in a specific government on the same day, that was not always possible. Consequently, some discussion of the study among actors within a city or county may have occurred between interview dates, but that should not affect the results of this exploratory field study.
Understanding ILAs as Public Management (Exchange) Networks

The exploratory field study revealed several important and challenging facets of interlocal agreements in the KCMA. First, there are multiple and overlapping social networks of actors in the metropolitan area. The overlapping networks are linked both horizontally between cities and counties and vertically between cities, counties, and MARC to create *picket-fence regionalism* for the management of an astounding level of ILA activity in the KCMA. Second, the regional planning organization (MARC) performs the leading broker role in several of the KCMA’s critical social exchange networks, including both an access network of managers and an access network of elected officials.

Most importantly, we found that the astounding volume of interlocal agreements in KCMA can be explained only partly by direct economizing in negatively connected exchange networks. Instead, interlocal agreements are more likely the products of positively connected exchange relationships facilitated by a regional *norm of reciprocity* and a brokering role that synergistically augments local resources into the provision of effective government services in a metropolitan area.

Network Layers in the Metro Area

We were surprised by the broad scope of ILA activity in the KCMA. However, we were also surprised there was no single repository of ILAs in any of the jurisdictions, and only one was able to assemble a rudimentary inventory in advance of our interviews. None of the CAOs and CFOs in our sample had any idea of how many ILAs would be included in their city’s or county’s inventory if they were to assemble one. One of the important explanations for the lack of a central repository of ILAs in a jurisdiction—and for the significant number of informal ILAs—is that each of the agreements is a manifestation of a particular social network. These networks are structured around the standard local government activities. Much as there are policy issue networks in the intergovernmental arena that structure “picket-fence federalism,” we found service-oriented policy networks that produce a *picket-fence regionalism* of interlocal agreements.

Participants identified formal and informal ILAs in many functional areas, including public safety, public works, utilities, planning, law enforcement, recreation, support services, public health, and bond issues. In public safety, for example, we found police, fire, and emergency response networks. In support services, we found online purchasing and bidding, tax administration, contractor licensing, and financial management networks. In public works, we found road, infrastructure, sanitary sewer, and storm water improvement networks. Integral to each of the networks are regular (usually monthly) meetings of the principal actors from each KCMA jurisdiction to discuss issues and problems of common concern. There are monthly meetings of the fire chiefs, police chiefs, and public works directors, for example. It is important to note that most of the managers and department directors in these networks belong to multiple networks. For example, the Overland Park public works director belongs to the network of municipal public works directors in Johnson County, the Kansas highway priorities committee, the county storm water management advisory committee, the county-assisted road system technical advisory committee, the bi-state traffic signal coordination program, “and numerous ad hoc groups including consultant selection committees for county funded storm water studies and county road construction.”

The individual networks of department directors may be characterized as epistemic communities (Frederickson 1999; Haas 1964, 1990). They are focused on the particular function of government for which they are responsible and may be analyzed in terms of central and peripheral actors, power relationships, and the weak ties that connect them to other networks. These epistemic communities function as networks of actors that are engaged in information-exchange activities to reduce environmental uncertainty and in cooperative efforts to provide more effective public services.

There are three consequences of picket-fence regionalism, illustrated by figure 1. First, we cannot identify the central and peripheral network actors in the KCMA; multiple central and peripheral actors correspond to the social networks that comprise the various epistemic communities. Second, if there is a recognizable KCMA social network, it is identified through MARC, which plays an identifiable brokering role for area public managers. Third, consistent with the notion of administrative conjunction, picket-fence regionalism requires a plethora of assistant city and county managers to serve as “weak ties” that bridge the social networks throughout the KCMA. This has important implications for the creation and diffusion of management innovations across the metropolitan region. The validity of social network exchange theory as an approach to ILA modeling is supported by identifying the defining attributes of exchange networks manifested in the ILAs we found in the KCMA study. Indeed, the KCMA interview data reveal central and peripheral network actors, broker roles, network power structures, and links to theoretical notions of administrative conjunction and network transaction costs.

Central and Peripheral Actors. The plethora of overlapping networks and the exploratory nature of the data for this study makes it difficult to identify a definitive set
of central network actors in the KCMA. We did not delve exhaustively into each of the functions comprising the picket-fence regionalism in figure 1 to map the underlying social networks. Instead, we focused attention on the evidence suggesting that the area’s city and county managers have a distinct regional network of their own, apart from the functional-based networks. The managers’ network manifests itself most visibly in the activities brokered by MARC, but the interviews also suggest a “hidden” plethora of daily conversations between city and county managers and their assistants that constitutes its own access network.

MARC sponsors two important forum series for area CAOs to discuss regional issues. The Kaufman Stadium lunch series is a relatively informal luncheon followed by a program; participants include many of the assistant managers in the area’s cities and counties. In alternating months, MARC convenes the Manager’s Roundtable, a Friday-morning meeting that focuses on regional issues identified by CAOs as requiring a metropolitanwide solution. Typically, the managers attend the stadium meetings, but the roundtable meetings are largely (but not exclusively) attended by assistant managers. Participation in these meetings is fluid, and most of the managers do not distinguish between the two different series. None of the managers reported religious attendance at the monthly meetings, although one of the senior Missouri managers and one of the senior Kansas managers probably have the highest attendance at both meetings. Not coincidentally, these senior managers are viewed as central network actors and mentors by many of the managers in the area. (One of the “central” managers was interviewed in the field study; the other was not.) Both had significant tenure (more than 10 years each) as managers; one was viewed consistently by colleagues as an innovation leader in the area, and the other was characterized as a helpful sage, willingly offering useful advice on a broad range of management issues.

The rather surprising finding was that the assistant city and county managers play a critical role as peripheral actors in a wide range of underlying functional social networks. Assistant managers are omnipresent at the various functional network groups, representing their city or county managers. Their multiple network assignments and staff status (as opposed to line managers) cast them as “weak ties” who bridge the various networks of public works directors, transportation directors, and emergency response directors, to name a few. As in other metropolitan regions, the KCMA assistant managers have their own local association (although it has a sporadic meeting history); they also see each other and discuss issues at the monthly MARC meetings and at the monthly luncheon meetings of the local chapter of the American Society for Public Administration, which is very active. Many share a common education background as graduates of the University of Kansas’ MPA program, and the alumni relationships serve as a latent network. Latent networks are known “principally if not exclusively by the network participants only [and] can lay dormant while requiring little startup energy to be activated” (Meek, Schildt, and Witt 2002, 13). Most of the assistants we spoke with seemed very comfortable phoning their counterparts for advice and information on a wide range of issues, and this seems particularly true for the University of Kansas alumni.

**Network Brokers.** Our field study suggests that MARC is an important broker in many of the social networks in the KCMA (figure 1). It is especially important as a broker for the CAO networks. MARC’s broker role has evolved out of the simple regional transportation planning role (funded by federal transportation grants) into a highly visible and active intermediary involved in numerous regional issues. The primary brokering actors are the executive director, David Warm, and Dean Katerndahl, manager of the Government Innovations Forum. Warm is generally acknowledged to have repositioned MARC from an “only regional” actor into a service depot for individual local governments, especially as information broker. Katerndahl’s position was created in 1997 at the behest of area managers who wanted MARC to create the position to coordinate regional activities. His title belies his actual influence in the KCMA, as he is widely regarded as “the most important thing MARC has done” in many years. In addition to actively participating in the CAO-level networks, he actively participates in multiple networks at the department-director level. This multiplexity places him as both the broker for individual networks and as a bridge between multiple networks.
Katerndahl’s agenda is set by the managers’ roundtable at MARC. Underlying the monthly managers’ meetings is an active, informal e-network of assistant managers who communicate daily through an electronic discussion group mediated by Katerndahl. He acts as a network broker and an information node to field information requests. They only meet physically at the monthly managers’ meetings. The frequent and active participation of assistant managers should not be taken as a signal that the meetings are unimportant to area managers, according to several of the managers and MARC staff. Instead, “mentoring assistants is part of the managers culture” and reflects the high level of trust that professional managers place in their assistants.

MARC also may play an important brokering role across two different access networks within the KCMA (Marsden and Lin 1982, 204–6). We found that professional managers and elected officials function in two different networks. The elected officials’ network appears much smaller than the managers’ network. Elected officials do not appear to interact very much outside their jurisdiction. Very few of the governing bodies hold joint meetings with other governing bodies. Yet, the elected officials are not without their own social networks, although they are not particularly visible. The Johnson County mayors meet regularly (constituting a separate social network), and the cities are represented on the MARC board. MARC’s executive director suggests that elected officials have informal conversations with their counterparts in other cities in the region, and these surface publicly only in obscure ways during commission debates. The most visible network of elected officials is the MARC governing board, composed of representatives from the various jurisdictions in the KCMA. MARC is one place where the elected officials meet on a regular basis; it is also at the vortex of the elected and administrative networks that permeate the region.

MARC is strategically placed to broker exchanges between the professional and elected officials’ networks on a regional level; MARC’s executive director and staff are comfortable in both venues. This is particularly true of the executive director. Gabris, Golembiewski, and Ihrke (2000) contend that trust is a critical element in administrators’ ability to convince elected officials to accept recommendations. We expect the wealth of trust enjoyed by the MARC director is an important factor in his ability to play the broker role between these two access networks. Of course, it follows that there must be a high level of trust between city managers and elected officials for a city manager to convince the governing body to approve an ILA with another jurisdiction. And, as we will learn, MARC is not the only network broker in the KCMA.

Network Power, Network Motivation, and Accountability

Two emerging ILAs in the KCMA provide an opportunity to assess the value of network exchange theory for understanding the development and sustainability of ILAs, particularly with respect to issues of network power and accountability. After briefly describing the ILA initiatives, we examine the role of the KCMA managers’ network in their development.

The first example highlights MARC’s brokering role in the quest to create a cooperative, regional, local government e-purchasing system. It illustrates the important brokering role of MARC and the synergy available in a positively connected exchange network. The story begins with Jackson County’s announcement to metropolitan managers that it would be moving to an e-purchasing system and an invitation to area governments to investigate the possibilities of a collaborative venture. The county was particularly interested in collaborating with Kansas City, Missouri, as it is a large-volume purchaser. Under the auspices of MARC—specifically, the government innovations manager (Katerndahl)—the managers’ roundtable group began a series of meetings to review options, investigate compatibility with existing accounting and procurement systems, and recommend a system for regional use. While the county moved toward a system that would provide integrated e-purchasing and accounting (replacing the current county procurement accounting system), the other metropolitan governments opted for an alternative system that did not require full integration with their financial accounting systems. At a September 2001 meeting of the managers’ roundtable, an assistant county manager reiterated the invitation to area governments to join the county’s decision for the integrated system—without any takers. Still, there was agreement all around that all future contracts from area governments should include some sort of piggyback clause to let neighbors take advantage of “good deals.” Moreover, even though there will be two different e-purchasing systems, ultimately all KCMA local governments should be involved in a regional cooperative venture.

The second illustration highlights the brokering role of a Johnson County, Kansas, department director in the creation of a new countywide program to license building contractors. In 1999, building inspection officials from the communities in the county formed the Johnson County Building Officials Association. They focused on what could be done to create standardized contractor-licensing requirements in the area and make the contractors more accountable to the area governments and citizens. Their interest was compounded by a radical change in the building code environment: Three different codes were combined into
one “international code” at the national level. This consolidation contrasted with 22 different building enforcement codes across the county’s municipalities. In addition, local code officials were concerned about the longstanding problem of a few contractors who had developed bad reputations in one city and then simply moved operations to another city in the county. Without county-level certification, there is little that code enforcement officers can do to stop general contractors from causing problems in other jurisdictions. Under Kansas law, general-contractor licensing is a local government option under home-rule powers; Kansas law requires only plumbers, electricians, and mechanical contractors to be licensed.

The code officers in several jurisdictions proposed a countywide licensing program as a solution to both problems. The Johnson County code officer agreed to coordinate and manage the project, effectively serving as the network broker as the project developed. The first goal of the program is to provide uniform certification and training of construction contractors who work on projects within the county. The county will train, test, and license contractors who wish to manage construction projects anywhere in the county. Each city will then demand evidence of, and honor, the contractor’s county license as part of the local permit process, accomplishing the second goal of defeating unscrupulous contractors throughout the county. The Johnson County commission approved the ordinance at its September 2001 meeting and authorized the county manager to develop a series of ILAs with participating local jurisdictions. As of May 2002, all but two small villages in Johnson County were participating in the program. Moreover, the code enforcement officers in the Unified Government of Wyandotte County, Kansas, have had preliminary “low-level” discussions about broadening the scope of the ILA to that jurisdiction.

**Network Power.** Network centrality and resource-exchange concepts suggest that larger entities with greater resources might be expected to be the most powerful network actors. Network exchange theory identifies three types of power in a social structure: (1) different levels of control over valuable resources; (2) different proximity to actors who have control over valuable resources; (3) different levels of influence over other actors (Burt 1977). Taking all three criteria together, however, our data suggest the most powerful actors in the KCMA managers’ network are not the managers of the largest governments, as one might expect.

The most powerful actors in the managers’ network—in terms of control over valuable resources—are the managers in MARC, Kansas City, Missouri, and Johnson County, Kansas. MARC generates and brokers a large amount and a wide variety of important information (a valuable resource) to area managers and departmental directors. In the e-purchasing case, MARC has been instrumental in providing crucial information about the project. For example, MARC invited several e-purchasing vendors to make presentations to the managers and local procurement officials at one of the stadium luncheon meetings. At a September 2001 meeting of the managers’ roundtable, the meeting participants agreed to pursue management of the emerging local government e-purchasing system by the administration of the cooperative purchasing system used by area hospitals—itself a cooperative purchasing network identified by MARC staff. On the other hand, it was “out of the loop" with respect to the contractor-licensing ILA.

One would expect the city manager of Kansas City, Missouri, the largest government financially and by population, to be a powerful network actor within the managers’ network. With respect to resources available for its regional crime lab, drug enforcement task forces, water, and fire suppression services, the Kansas City manager is probably a powerful ILA network actor. The city’s purchasing power has influenced the development of the e-purchasing system; its decision not to use the integrated system adopted by Jackson County, Missouri, made the alternative system adopted by the other regional jurisdictions a viable option. On the other hand, the network power of the Kansas City manager as an organizational-resource “heavyweight” does not extend to proximity to actors with control over resources or influence over other actors in the network.

In the contractor-licensing ILA, Johnson County is a powerful organizational network actor with a wealthy tax base and a large professional staff. Individually, the county’s department director was well placed to call on county resources for research and development of the project—and its subsequent implementation. On the other hand, the Johnson County contractor-licensing network was keen to get the “major players” of Overland Park and Olathe to participate in the program, both for the territory they control and because they represent the largest organizations in terms of economic activity and enforcement staff. They were unsure as to whether the elected officials would see the issue as a countywide problem. Olathe has a reputation for “going it alone” as part of a defensive posture by a historically independent, full-service city against the increasing suburbanization of the county. Overland Park is the largest city in the county and is seen by some as “throwing its weight around” on occasion. The resource dependency of the code enforcement network in these cities identifies the power available to the Olathe and Overland Park managers (and to their elected officials) in the social exchange network. Still, the Johnson County management team (and its elected officials) had to agree to assume central management responsibility of the program if it were to succeed, elevating them to the strongest network position...
in the code enforcement network underlying the contractor-licensing program.

While the Olathe and Overland Park managers have power in this ILA, they are definitely not central network actors. The managers of the two cities, for example, have not been full participants in the regular roundtable meetings, and the Overland Park finance director rarely attends local or even national finance meetings, where she can “network” with professional colleagues. The Overland Park city manager was relatively new to the job, but he had served as an assistant manager in the city before and was a University of Kansas alumnus, which immediately conveys some standing among area managers (many of whom share this status). Perhaps because of his newness to the position, or perhaps because he did “not always get to those meetings,” he was not regularly mentioned by other manager colleagues as one of the three counterparts with whom they were most likely to discuss issues or seek advice. None of the area finance directors mentioned the Overland Park finance director in that context either. Both the Overland Park CAO and CFO could presumably provide important resources to their network counterparts in the KCMA. Exchange theory suggests they would be powerful network players. Locational theory suggests their geographic size and centrality would make the cities powerful organizational network players. Yet they do not seem to have strong network power in the context of the KCMA managers network.

With respect to the proximity criterion, MARC stands as a powerful actor in the managers’ network because it has extremely good relations with a wide range of actors who have control over necessary information and other resources, including funding and staff. The manager of Kansas City, Missouri, on the other hand, is active in out-of-area networks and participates in national associations of “big city” managers. His assistants are active in local networks, but that is not the same; it diminishes the city’s power within the managers’ network, and he is not viewed as a powerful network actor in this respect. Nor is the Johnson County manager seen as particularly powerful on this criterion, as he is also not regularly engaged in the managers’ network. Instead, the two senior managers of the smaller jurisdictions previously identified as central actors are more powerful network actors, based on the network proximity criterion. Not only are they regularly engaged with a wide retinue of area managers who provide the networks with resources, they also stand out as some of the rare officials regularly contacted by the Johnson County and Kansas City managers—the organizations with the most resources. We tentatively identify the set of assistant city and county managers as having a degree of network power under the proximity criterion. Despite their seemingly peripheral status, they have close network proximity to the city and county managers, and the credibility of their advice seems formidable.

Finally, MARC and the two senior city managers mentioned previously have considerable influence over other network actors. MARC’s staff, especially Warm and Katerndahl, are well respected by the directors and managers—and elected officials—in the area, giving them significant influence over KCMA actors. The two senior managers previously identified are also powerful network players through their regular and widely visible participation in network activities; interview data suggest their advice is very influential and eagerly sought from managers across the region “behind the scenes.”

Interestingly, the Unified Government of Wyandotte County and Kansas City, Kansas, is a weak organizational actor in the KCMA network power relationship. Although it is the second-largest city in the metropolitan area, it is conspicuously absent from much of the CAO network activities we found in this field study. Although the city has a large budget, it is also fiscally stressed and has been for several years. On the other hand, given the dominant norm of reciprocity in the KCMA, one might think the city would seek to become a free rider, to the extent the metropolitan networks were willing to allow the United Government’s participation, even if it is unable to commit extensive resources. Moreover, many of the networks do not require extensive fiscal contributions to the network’s activities. The e-purchasing initiative, for example, potentially would allow the United Government to gain substantial economies of scale through piggyback contracts negotiated by other network actors. Yet the city is noticeably absent at the series of network meetings to create the e-purchasing consortium. It was also largely absent from the building officials network, although its code officer is currently in preliminary, “low-level” discussions with the Johnson County program managers to investigate expending the contractor-licensing program to the United Government.

Rationale and Motivation. Although there is surely a definable set of ILAs that have developed from desires for direct economizing activities, with few exceptions, cost reduction was seldom the primary reason for ILAs. One manager noted that the initial cost–benefit analysis was probably important at some level, but program effectiveness was more important. In fact, our original interest in ILAs was related to their use as management-efficiency instruments, but we found no jurisdiction monitoring either the cost or effectiveness of the ILAs to which they belonged (Wood and Thurmaier 2001). The overwhelming lack of evidence that economizing is a continuing aspect of ILAs for the network actors suggests to us there are one or more alternative values that better explain the existence and continued propagation of interlocal agreements in the KCMA. The foremost value that was explic-
itly stated by more than one actor we interviewed is a “norm of reciprocity” culture that pervades the metropolitan area.

While it was clearly enunciated in several meetings and interviews that the primary motivation for creating a cooperative e-purchasing system was economizing, that was not the sole rationale, according to several managers. Several of the largest jurisdictions view the system as a way to help smaller neighboring jurisdictions save costs by letting them piggyback on their large contracts. This speaks to a metropolitan culture of cooperation, repeatedly expressed by a wide range of actors across the jurisdictions. The cooperative e-purchasing system is characteristic of a positively connected exchange network. The agreement to join the e-purchasing group by two or more jurisdictions increases the probability that other jurisdictions will agree to participate in the ILA. This increases the benefits of cooperation to all actors, including the first participating jurisdictions.

The motivation of the contractor-licensing ILA had little to do with economizing. The issue was primarily increased regulatory effectiveness, with an expected outcome of greater public safety in buildings. The lack of cost savings should not be an impediment to adoption, according to one manager, because elected officials are focused on program effectiveness more than on saving costs. The city managers of both major cities in Johnson County did not anticipate any problems in getting their city councils to participate in the program. It had no fiscal impact, relieved city hall officials of administrative duties that were rarely covered by licensing fees, and potentially shifted the burden of contractor “problems” from the city to the county.

**Accountability.** Although accountability is an enduring issue of network theorists in public management (Agranoff and McGuire 1999a), we found a surprising lack of concern for accountability among those we interviewed.8 There is no central repository of ILA information in any of the jurisdictions we studied. Nor was there any understanding on the part of participating CAOs and CFOs about the fiscal consequences of the interlocal agreements in which their jurisdiction was participating. Agranoff and McGuire argue there is a difference between accountability to someone and accountability for something, suggesting that accountability for program effectiveness is more appropriate for network analysis than accountability to someone, since there are multiple accountabilities involved in networks.

Still, network participation involves resource exchanges, and that implies resource contributions. Microeconomic theory suggests that actors will not participate in the exchange unless they receive a benefit that is equal to or greater than their contribution—one of our initial assumptions at the beginning of the study. Yet we found a surprising nonchalance among all of the actors we interviewed regarding fiscal accountability with respect to interlocal agreements. Why? We expect that part of the explanation is the nature of many ILAs. Mutual-aid fire assistance ILAs, for example, pertain to public safety, and every manager noted that it was impossible to put a price on a life (that is, public safety). There is also an informal ILA that pertains to a metro “crime squad.” Jurisdictions in the metropolitan area contribute specialist detectives on an ad hoc basis to the metro crime squad to investigate major crimes throughout the metropolitan area. The squad is accountable to the metro police chiefs to some degree, but there is no systematic evaluation of the squad that any of our managers were aware of.

If an ILA is primarily an efficiency instrument, accountability should be easier. Undoubtedly, managers will be able to discern whether the e-purchasing cooperative program is saving their jurisdiction money. Moreover, when contracting with the private sector is contemplated, but there is no private competition—and savings and accountability appear negligible—the jurisdiction may find a greater degree of accountability by using a public-sector ILA. When the goal is program effectiveness, the outcomes may be less clear, and the value added by the network may be subject to all of the performance-measurement problems that are common to other public services.

**Interlocal Agreements and Social Network Theory in Practice**

ILAs resemble the type of public management network problem that occupies much of the recent public administration literature and points to several relevant veins for further research. This study has attempted to apply the concepts of social network theory to the theoretical development of public administration’s perspective on public management networks. Our unit of analysis has been interlocal agreements, one of the oldest and most traditional forms of public management network. ILAs raise interesting questions about power relationships, the motivations for interlocal agreements, and accountability issues for networks. Admittedly, our analysis does not parse the influence of individual actors from their organizations. This is especially true of our discussion of network power. For instance, is Kansas City, Missouri, powerful because of the size of its city budget, or because of the leadership capabilities and personality traits of managers and department directors? This question also applies to the other cities and counties in the study. Similarly, this dilemma applies to our discussion of network brokering, in which we find it difficult to distinguish between brokering by organizations (MARc and Johnson County) and the key individuals in those organizations who actually interact with other members of the KCMA social networks. The
brokering role is critical in public management networks and is worth considerably more research.

Still, we believe that social network theory—and particularly network exchange theory—promises significant benefits for public management network research. It gives scholars precise research targets (central, peripheral, and broker actors) and useful concepts of network power, exchange relations, and network boundaries. It also may help to explain the formation, evolution, and utility of network participation to local governments. For example, the contractor ILA boundary is not coterminous with the code enforcement network that created it. Even though two villages are not participating in the ILA, their code officers can still be in the code officers’ network. Positively and negatively connected exchange relations are ready tools for exploring relationships in public management networks. The concept of resource dependencies and exchange relations corresponds (to some degree) with recent interest in applying transaction cost models to contracting and other public administration problems. The concepts of administrative conjunction may support the presence of positively connected exchange relations among public management network actors. Social network theory is also valuable for understanding innovation diffusion in metropolitan regions where there is picket-fence regionalism.

There is important value to practitioners from our foray into social network theory. Our study suggests that managers have much to gain from social network participation. Norms of reciprocity stand to benefit all network players. Our study also raises important questions: Can we identify a sequence of ILA creation? Which formulation is a basic predictor of ILA formation? Does a broker create trust, which then leads to an ILA (such as in the e-purchasing case), or does the existence of trust lead to the emergence of a broker, which paves the way for an ILA (such as in the Johnson County contractor-licensing case)? Although this exploratory field study leaves many hypotheses unanswered, we believe it provides enough evidence to suggest that social network theory offers public administration theorists fruitful avenues for theoretical development of public network management.

Notes

1. There are now several accessible sources for a background on exchange theory, resource-dependency theory, and social network theory, including Degenne and Forse (1999), Cook, Molm, and Yamagishi (1993; see especially figure 1, p. 298, for a timeline of theoretical developments).

2. Network locations usually are measured with sociogram methodology (Emerson 1972; Marsden and Lin 1982; Galaskiewicz 1979; Degenne and Forse 1999).

3. A complete list of the interview subjects and the six local governments with their populations is available from the authors upon request.

4. A copy of the interview questionnaire is provided in the appendix.

5. Standard social network methodology uses a snowball interview technique to interview all the pertinent actors in a social network. Resource constraints for this pilot study precluded this strategy. We rely on the interviews we achieved to outline the scope and type of social exchange networks underlying the ILAs.

6. This observation is more of a hypothesis, and it certainly requires further examination and a rigorous research design for verification.

7. The prolonged fiscal stress contributed to the recent consolidation of the city and county governments (Thurmaier and Leland 2000).

8. Neither is accountability a concern of the sociological network theorists.


Appendix Interview Questionnaire Design

Part I: Formal/Informal Communication
Please describe the frequency, nature, length, and effectiveness of regular ongoing meetings held jointly by your governing body with other governing bodies in the Kansas City metropolitan area.

Please describe the frequency, nature, length, and effectiveness of regular ongoing meetings or discussions held by you and your counterparts in other governmental jurisdictions in the Kansas City metropolitan area.

Please describe the frequency, nature, length, and effectiveness of regular ongoing meetings or discussions held between department directors in this city or county with department directors in other cities and counties in the Kansas City metropolitan area.

Part II: Formal/Informal Coordination
Please describe any formal or informal agreements where your city or county has participated in a joint project, service, or program with other units of government in the following areas: public works (roads and bridges), public works (facilities), planning, law enforcement, fire services, recreation, support services, public health, bond issues, other. How effective are these joint efforts in terms of meeting organizational goals or reducing costs? How do you measure their effectiveness?

Part III: Formal/Informal Collaboration
Please describe any formal or informal agreements where a service or program has been consolidated with another jurisdiction, or your city or county has contracted with another jurisdiction to perform a service or function in any of the following areas: public works (roads and bridges), public works (facilities), planning, law enforcement, fire services, recreation, support services, public health, bond issues, other. How effective has functional collaboration been in each agreement in terms of meeting organizational goals or reducing costs? How do you measure effectiveness?

Part IV: Interpersonal Network Relationships
Please name three people you most frequently talk to in other government organizations (including cities, counties, MARC, etc.).

Please name three counterpart professionals who you most frequently ask for advice.

Please name three counterpart professionals who you consider as friends.

Please name three counterpart professionals in other metropolitan government organizations (including cities, counties, MARC, etc.) who most frequently ask YOU for advice.

How important is trust to you when you evaluate whether to enter an ILA? Or do you prefer to rely on enforceable contracts?

If given a choice between an informal or a formal ILA, which would you prefer, and why?

How often do you attend metro area finance and budget meetings?

How often do you attend metro area general managers meetings?

How often do you attend regional, state, or national finance and budget meetings?

What professional journals or magazines do you read regularly?

What newspaper or newspapers do you read regularly?

What is your most important source of information about changes and innovations in your professional field?


