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The dense net of fine threads

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1. Structural changes of urban politics in the cities of Western Europe

The increasing material and ethnic inequalities taking place in European cities often take the form of concentrating social problems in certain districts. This dynamic is aggravated by the tendency of those who can to move out of these residential areas. The neighborhoods they leave behind are distinguished by growing rates of long term unemployed and a rise in households dependent on social benefits.

This concentration of social problems often coincides with a growing density of ethnic minorities and migrant households. As migrants become an increasing presence in such neighborhoods, the financially better off native residents tend to move away. An emerging migrant population not only suggests that natives have lost interest in that location, but that the housing quality is low. The school children in these neighborhoods often speak a foreign language at home and have conflicts with native youth, adding to the impetus for exit by native families seeking good schools for their children.

This residential location dynamic tends to undermine economically integrated neighborhoods and intensifies the concentration of social problems, initiating a downward spiral in neighborhood development.

Our research project addresses the extent to which local urban policies are either trying to focus on the problems of neighborhoods with a particularly high density of social problems, or are neglecting them, thereby pushing these neighborhoods even further to the margins of society.

Behind this question lies the assumption that marginalized neighborhoods carry little weight in a city's political decision-making processes. On the one hand, if many inhabitants lack the right to vote and few of those who are eligible actually participate in elections, it seems likely that local government will not place much priority on their needs in the political struggles for resources. On the other hand, the residents of these neighborhoods may have turned their backs on politics and lost confidence in the likelihood of local authorities being responsive to their concerns.

A reasonable initial hypothesis might therefore be that a growing 'subjective' distance between the residents of these neighborhoods and city government would reinforce their 'objective' exclusion. The large political parties may turn their backs on these marginal areas and provide them with resources that are not sufficient to cover their needs. Accordingly, the lack of political representation would aggravate neighborhood problems, yielding the exclusion of entire city districts. Putting the question more generally: Is the underrepresentation of deprived areas in political and administrative decision-making processes aggravating the social divide in urban areas?

1.1 Political consequences of the structural change

Economic restructuring is having many adverse impacts on cities, particularly those with large industrial sectors:

- They suffer from a steady decrease in industrial jobs;
- Former industrial workers rarely benefit from the growth in service sector employment;
- Business closures and high unemployment rates cause city tax revenues to drop while raising the need for social service expenditures;
- The resulting fiscal stresses lead municipalities to cut services and expenditures, especially for discretionary programs like sports and culture, the very sectors that may be particularly import to deprived neighborhoods.

Only a few cities have much budgetary leeway. As their debt increases, they tend to privatize public assets, for instance by selling the municipal housing stock or entire housing societies. Today, cities can hardly undertake any large project without a private partner who helps to finance it (public-private-partnership). Fiscal stress and the economic competition among cities for investment drive them to find new ways to attract potential investors. Location marketing and prestige projects play a big role in this competition. The logical result would seem to be that cities pay much less attention to the social concerns of the residential population.

This dynamic suggests that local government has less political ability to control urban development or manage its potentially divisive impacts. Instead, it will aggravate economic segregation and the concentration of social problems. It seems written on the wall that this kind of urban politics will turn those parts of the city where the poor and migrants live into slums.

But is this actually how local politics and local governments have been treating such districts in the Federal Republic of Germany? Until now, urban research in Germany has not carefully examined the relationship between levels of political activity within a district and how it fares in the inner-city distribution of resources. Although the founding of the *Working Group on Local Policy Research* in the 1970s lead to a boom in critical local policy research, not much recent attention has been paid to this question.

Our investigation of the relationship between how a neighborhood is represented in local politics with what resources it gets in German cities has been framed by a cognitive democratic-theoretical approach melded with control theories. As indicated above, we see the consideration of a district’s interests not only as a function of the political-administrative system, but also of the extent to which its residents participate in local politics. Following Almond and Verba (1963), we surveyed the political culture of case study neighborhoods, examined the formal structures meant to communicate their interests to higher level governmental institutions (city district, entire city government, parties, district and city parliament, the public, and the municipality), and determined the outcomes produced by local decision-making processes.

2. Theories of urban politics

These empirical questions may be classed both as a case study in community power (traditional community-power-studies) and as an assessment of the degree to which local government is responsive to citizen participation. Both approaches deal with the impact of civic participation in the context of decentralized local political institutions.

2.1 On the structure of power and control theories

Floyd Hunter's study of the power structure in Atlanta (1953) and Robert Dahl's research counterpoint on dispersed power inequalities and pluralism in New Haven (1962) initiated a debate about the nature of urban politics. This debate led to steady theoretical and methodological progress. Hunter interviewed experts and key persons of the city of Atlanta and concluded that a relatively small, homogeneous elite determined the city's political decisions. He was soon reproached that it was unrealistic to identify true power holders by asking those active in public affairs about how power was distributed. Instead of this 'reputational' method, Dahl and his students (Polsby 1980) advocated detailed empirical surveys of who participated in making specific policy decisions. They found that different groups were influential in different domains. As a result, they formulated a pluralist theory of the communal distribution of power.

While this view became predominant in political science during the 1960s, it met with increasing challenge as the United States experienced growing urban turmoil during the late 1960s and 1970s. A viewpoint that might be termed 'urban political economy' (Stone 1989; Mollenkopf 1983) argued that any decision-making outcome reflects an underlying structural power asymmetry between public and private actors. Thus, empirically identifiable power constellations range within margins that democratic decision-making processes cannot shift.

In the meantime, 'hyper-pluralists' (Yates 1977) reasoned that the interest groups in local government affairs have become so diverse and fragmented that they are no longer able to form large stable coalitions, making local governments unable to make decisions and reducing political control over urban development. Such theories come close to the 1970's theses on the 'non-governability of cities'.

2.1.1. Local Governance

The question about a district's political representation rests on the assumption that districts which are not represented by a member on the city council or have weak links to policy-makers will be at disadvantage when city administrations distribute benefits and will not be able to assert their interests as well as those who are better connected. To assess how neighborhood interests are represented, however, we must look not only at the distribution of formal power positions, but also at informal communications processes. A 'power structure' is so tightly linked with the general ability to control local processes that it is better to speak of 'local governance' when referring to the system of municipal decision-making.

Governance is a term that goes beyond formal political institutions to consider how elected officials, agency administrators, and line service providers achieve coordination and control within complex structures, thereby including matters of legitimacy as well as power. Governance is a regulating structure which embraces informal and formal elements while paying particular attention to confidence-based networks and to how key players

communicate with each other. This is the only way to adequately map the complex decision-making processes of a large city involving a multitude of players.

2.1.2. The regime theory

Regime theory is a suitable way to describe and analyze these network relationships. It shifts attention away from a narrow understanding of power (as a problem of social control) towards comprehending it as a process of social production. (Stone 1989; Mossberger and Stoker 2001). Given that urban governance systems have grown increasingly complex and fragmented, forming a regime or governing coalition enables certain interests to combine their capacities to achieve common goals. Regime theory identifies the different sets of arrangements of institutional players who strive, by division of labor, for common goals. It seeks to understand the feasible foundations for governing in a political system where the players grow more heterogeneous and the problems more complex.

2.2 On representation and participation

Whether a city's political processes pay attention to marginal districts depends not only on how their interests are represented, but whether the residents participate in neighborhood activities. We assume that participation and representation are complementary processes, but analyze them separately. Discussing this matter, Plotke (1997) suggests opposing the term exclusion to that of representation. Interests not represented in the political process will be excluded from any decisions it makes. As logical antipode to participation, he introduces the term abstention. This might be reflected in weakly developed activity networks of a neighborhood as well as in dwindling voter participation. Participation and representation, as opposed to their opposites, abstention and exclusion, are assumed to enable representatives to interpret the true needs of an urban neighborhood. If, in contrast, a city lacks participatory structures and there is no communication between political representatives and neighborhood's networks, there is a risk that neighborhood interests will be completely excluded.

Besides considering the narrow political relations between neighborhood residents and representative institutions like city councils, one must also consider how municipal administrations relate to the neighborhoods. As the highest-ranking administrative officer, the mayor carries out local legislation and initiates new public policies. If an administration aligns its activities with the principles of equality and justice and implements a dense net of federal policies, it may take neighborhood interests into account even when they are not adequately represented in political parties or the city council.

2.2.1. On political confidence and responsiveness

The political integration of neighborhoods depends not only on their involvement in decision-making and communication processes, but also on the residents' activities and attitudes (Berry, Portnoy, and Thompson 1993). Voter participation and political confidence indicate the extent to which the residents identify with the political system – only if they do identify with it can one expect them to get involved. If they mentally turn their backs on the political system, they will not expect support from communal politics, increasingly distancing such districts from the 'center' in ways that would reinforce their marginalization.

We intended to find out whether the attitudes of residents in socially diverse neighborhoods point towards a further aggravation of the city's divide. We thought it is possible that

privileged neighborhoods would tend to hold neo-liberal beliefs that did not support policies to promote a social balance; on the other hand, we thought that residents of underprivileged neighborhoods would already have distanced themselves from municipal politics to such a large extent that they would no longer expect the city to be responsible for their social state of being. Besides asking questions about the political and social confidence, we also tried to record the neighborhoods' 'potential for solidarity' by asking whether the privileged residents supported a municipal redistribution policy and whether socially marginalized residents still counted on this kind of solidarity.

We term residents' perception that communal politics will consider and advance their interests responsiveness. In more responsive municipalities, more residents will think that local political institutions are pursuing and realizing their goals.

By cross-classifying the subjective orientations toward political processes with the objective arrangement of political processes, we arrive at the following typology:

[PLACE DIAGRAM 1 ABOUT HERE]

Political exclusion evolves where neighborhoods lack political representation and elected representatives do not pay any attention to neighborhood interests or actors. In such situations, neighborhood problems are unlikely to become a matter of public attention, much less remedial action.

Managed marginality emerges, by contrast, when neighborhood residents do not participate in political networks or if an urban area lacks civic capacity, but political representatives nevertheless pay attention to neighborhood issues.

Participatory insularization is a situation in which neighborhood participatory structures exist, but they do not connect with political decision makers, who continue to disregard neighborhood concerns. It differs from the managed marginality insofar as neighborhoods have social capital in this case, but political institutions do not allow it to be expressed at the decision-making level.

Active political integration takes place when residents participate in local politics and the political system responds to their claims.

We assume that neighborhoods are completely politically integrated when neighborhood residents express their political weight through high rates of voter participation among residents who hold a substantial amount of economic, social, and cultural capital. As contrasted with the socially isolated and politically inactive residents of problem-stricken districts, they possess a dense net of formal and informal networks that provide access to the politically powerful, who therefore take their interests into account.

Our initial hypothesis is that privileged and underprivileged districts will vary sharply in terms of their forms of political representation and communication, as outlined in the following chart. The basic goal of our study was to identify the particular types of political arrangements that characterize two contrasting neighborhoods in four different cities.

[PLACE CHART 1 ABOUT HERE]

3. The empirical study

Our empirical research focused on two contrasting neighborhoods in the large German cities of Berlin, Leipzig, Mannheim, and Cologne. We examined one privileged and one marginalized neighborhood in each city: the districts Hahnwald/Marienburg and Chorweiler in Cologne, City-East and Schönau in Mannheim, South-Gohlis and the East of Leipzig, and Zehlendorf and Wedding in Berlin. In each neighborhood, we interviewed a large number of experts in order to reconstruct the political relations between the districts and city policy makers in the city council and municipal administration. We also analyzed the local media. Additionally, we did telephone interviews with 400 eligible voters in each district. We asked them to describe the district's political representation, to rate its political competency, and to give their perception of the city's responsiveness to their neighborhood. We also asked them about their political interests and knowledge and their willingness to show solidarity. We thus got measures of individual values as well as perceptions about representation and responsiveness.

4. The Dense Net of Fine Threads

4.1 Political representation

Contrary to our first assumption, the privileged and marginalized neighborhoods did not show systematic differences in terms of their visible exertion of influence on the cities' political centers. All of them were weakly represented in formal terms, since few city council members lived in any of these areas and none had stable, identifiable channels for asserting their interests. But voter participation was a lot higher in the privileged areas than in the marginalized ones. Further, the privileged neighborhoods had more social capital in terms of participation in clubs and other local initiatives.

Nevertheless, we did not find that city administrations showed any systematic neglect toward the marginalized neighborhoods, nor did they give preferential treatment to the privileged neighborhoods. Rather, our research showed that local administrations paid a good deal of attention to neighborhoods with the highest density of problems.

It further became clear that it is hard to compare the political influence of privileged and marginalized districts with respect to local decision-making because their interests or objectives are quite different. Privileged areas simply do not want much from local government besides protecting their neighborhoods' high living standards (e.g. good public transportation etc.). They do not suffer from an insufficient infrastructure that requires municipal attention. Although Cologne's Marienburg/Hahnwald district has few new public works, it does not need them. The residents of privileged neighborhoods share an interest in maintaining a high district quality of life. On the one hand, this is quasi-naturally provided by local politics, but on the other, private affluence means that few public services are needed.

In contrast, marginalized neighborhoods characterized by a high concentration of residents living under precarious conditions depend greatly on public services and social welfare. Immediate surroundings represent the core of their lives for many residents of such neighborhood. This results in a situation where the *neighborhood as neighborhood* requires a

large supply of public resources. For instance, public parks and green spaces fulfill a different function in these neighborhoods than in areas where each home comes with a large yard. A neighborhood where many families live under precarious social conditions needs more youth projects and child care facilities than where the parents have much larger private resources and actively encourage their children's development.

Whereas the key interest of privileged neighborhoods is to ward off any alteration or change for the worse, marginalized neighborhoods seek to increase the supply of resources to ameliorate the situation of local households. The local administration, not local elected officials, is the key player in guaranteeing the supply of these resources. Nevertheless, the interviews with the experts revealed that the local politicians are well aware of the problematic conditions in the socially marginalized districts.

In short, local opinion formation plays a more important role in shaping this administrative response than do formal channels of political communication. If the local media repeatedly denounce social deprivation and point out that urban political elites have not paid attention to the problem, they will sooner or later take corresponding measures.

To reflect these empirical findings, we have corrected the previous chart to show how neighborhoods of contrasting types fit into local politics in the following chart:

[PLACE CHART 2 ABOUT HERE]

The formal 'non-presence' of representative mechanisms for different kinds of neighborhoods results from various causes: while the privileged neighborhoods may rely on informal networks to affect political decisions when needed, the marginalized neighborhoods have little political power of their own. They also have scant levels of civil organization and rely on few direct and personal relations with city-wide decision-makers.

The privileged neighborhoods do exercise a sort of veto-power in which local administrators, undertaking anticipatory conflict avoidance, continually take their interests into account in administrative and political acts. In contrast to this, marginalized neighborhoods have to compensate for their insufficient self-representation achieving a heightened salience for the local administration – which actually happens. However, their consideration for the needs of marginalized areas does not always go unchallenged, but competes with urban policies increasingly focusing on improving the city's economic competitiveness.

4.2. The dual regime

4.2.1. 'The growth regime'

When examining the priorities and objectives outlined in the cities' official documents (principles, urban development programs, mayors' speeches), the image they present clearly omits marginalized neighborhoods. The cities' self-presentations emphasize a strategic focus on growth. They are targeted on tapping new investments in the service sector, so as to successfully cope with economic restructuring. Interviews with the urban executives confirmed this focus. If one only looks at what the glossy brochures say, one would be justified in concluding that a dominant 'growth coalition' swamps all other sectors of urban

politics. This logic would lead one to conclude that it makes little sense to invest in deprived neighborhoods because attracting new businesses is the top priority.

But the conversations with city council members, party leaders and neighborhood activists reveal another image: Local politicians are indeed aware of the social problems connected to increasing unemployment, growing poverty, and aggravated social segregation. They take these problems seriously. All of them mention that they seek to confront these developments in order to avert their city's social decay.

4.2.2. 'The integration regime'

It appears that, parallel with the activities of the growth coalition, urban political players have united behind policies favoring the social integration of deprived neighborhoods. Social policy makers, urban planners, some political parties and members of the media, and district representatives make up a dense network that prevents local political systems from neglecting depressed districts. Although marginalized districts are not strongly represented in the formal political decision-making processes and have only weak informal political connections at best, the current decision-making processes nevertheless plan for and implement programs aimed at them.

The media's role in scandalizing the problems of marginal neighborhoods, sometimes by exaggerating the reality, results in constant attention towards these districts and their problems. On the one hand, press coverage of this type triggers a normative political response from local elected officials and city administrators concerning the need for socially balanced urban policies, and on the other hand, it heightens the fear among city elites that a negative image could decrease the interest of private investors in local projects.

These findings lead us to conclude that neither a neo-liberal regime nor a growth coalition dominate urban politics in the four German cities we have examined. To the contrary, these cities have a dual regime: a growth regime has preponderant influence on many issues, but it co-exists with a well institutionalized integration regime that attends to the socially needy population and to stigmatized and marginalized districts. This dual regime has a division of political labor outlined in the following diagram:

[PLACE DIAGRAM 2 ABOUT HERE]

Constituents of the growth regime want to promote the city's visibility within the national and international competition of cities. They organize such large projects as the Mannheim Arena or applications for the Olympic Games or the European Capital of Culture. This regime concentrates on promoting the internationally competitive parts of a city's economy, supporting 'high-tech' developments, and especially promoting 'areas in development'. It gives privileged position to public investments serving business districts, building office-, consumption-, and entertainment-complexes, and developing new facilities for tourism. To court highly qualified workers in the creative service sector, it seeks to upgrade residential areas near the center without protecting any parts of the population that might be displaced by these activities.

Such polices might cause a growing gap between the competitive parts of the city and those who are unable to gain ground in the shifting labor market. The integration regime tries to counteract this tendency by explicitly pursuing a policy challenging social and spatial exclusion. This regime is formed by social service administrators, non-profit social service organizations, citizens' initiatives, parts of the political parties and the churches, and parts of the media and unions. Its goal is to promote urban integration. It thinks that the municipal administration ought to act as trustee of the entire city to maintain homogenous living conditions. The integration regime relies particularly on resources provided by the German states, the Federal government, and the European Union.

In the struggle between the two regimes over the tightening financial resources provided by municipal budgets, the growth regime usually prevails. The integration regime, on the other hand, concentrates on raising funds from special Federal or European Union programs and has been generally successful in doing so. It is possible, however, that local growth regimes could throw local integration regimes onto the defensive if higher levels of government did not continue to supply a substantial level of funding.

In short, American theories of the distribution of urban power that stress either the dominance of the growth regime or the plurality of actors across policy areas do not seem to do a very good job of explaining the reality of German cities. In Germany, urban policies are not made by fast-changing coalitions of different players who join together to realize specific redevelopment projects and then disband. Nor does the prominence of growth regimes mean that German cities ignore marginalized neighborhoods in favor of the privileged ones.

It remains to be seen, however, whether the integration regime in German cities is deeply structurally rooted or is only the thinking of current leadership elites that were socialized in the social market economy of the 1960s and 1970s, who may ultimately be transitory. At the same time, in spite of all the talk about dismantling the welfare state, the integration regime in German cities still significantly succeeds in providing security and protection from fragmentation and marginalization.

4.3 On confidence and local political culture

When asking the residents of different neighborhoods how they assess urban politics and what confidence they have in communal politics, the differences were greater across cities than between different types of neighborhoods. Questions concerning the general satisfaction with urban politics and the specific confidence in the city's mayor, municipal politicians, and municipal institutions reveal that residents of privileged and marginalized districts in a given city gave similar answers. In contrast, Berlin residents express the largest mistrust in urban politics, while those of Leipzig have the greatest confidence. The level of confidence of Cologne's and Mannheim's residents range in between those of Berlin and Leipzig. This suggests that where local political scandals have irritated voters (Cologne, Berlin, and to some degree Mannheim), they lose confidence in local politics across the board. High regard for Leipzig's mayor has a large influence across the board in that city.

The results differ when residents assess their district representation – what we call the perception of responsiveness. On this matter, residents differed according to the social position of the neighborhoods. Those living in privileged neighborhoods perceive them to be substantially better represented than did residents of the deprived neighborhoods. Only in

Berlin (with the city of Leipzig as referential category) did a statistically significant city-level difference emerge. Berlin residents (in Zehlendorf as well as Wedding) feel less well represented than did the residents of Leipzig. (The two other cities were not significantly different.)

Perceived municipal responsiveness is obviously connected to individual experiences. We conclude that respondents are more likely to think local government is more responsive when they have a realistic expectation that their immediate circumstances are likely to improve. It is hard for those living in deprived neighborhoods to believe that local administrations will provide such improvements.

A closely related issue is that of *political competency*, i.e. a citizen's willingness to become politically active. Again, local voters in the privileged and marginalized neighborhoods show hardly any differences, nor were significant differences apparent across the cities. All show closely similar levels of potential political involvement, ranging from 80.4%; to 82.6% in the privileged neighborhoods and 76.0% to 78.2% in the marginalized ones. The means across cities vary by only one percentage point.

We interpret this as indicting that there is a low threshold for participation in communal politics. At the same time, this high level of political competency, independent of social status, indicates that the *participatory revolution* of the seventies (Kaase 1984) been firmly established in the thinking and political awareness of urban citizens.

Political interest and *political knowledge* also provide measures of citizen interest in local politics. Two-thirds of all respondents expressed an interest in urban politics, at the level of 73.4% in the privileged districts, but also 60.6% in the deprived neighborhoods. Similar results occurred for knowledge of political and city-relevant players. A total of 64.8% know one or more representatives of the district, municipal councilors and influential persons, ranging from an average of 74.1% in the privileged neighborhoods to 55.5% in the marginalized ones.

Recapitulating, residents of the privileged and marginalized districts do differ somewhat on these various measures, but the levels are nevertheless remarkably high in the problem-stricken areas, since every second voter there shows interest in urban politics and knows the local political players.

We also asked people about their *willingness to show solidarity*, how they felt about spending more money to benefit marginalized neighborhoods. We asked whether scarce municipal resources should be distributed equally or whether a larger part should be given to worse off neighborhoods. Should schools be expanded to all-day sessions in such neighborhoods? Should resources flow to schools with the worst performance, or to the best? To gauge the willingness to make sacrifices, we asked respondents whether they would support implementing a solidarity tax of less than one percent of one's income to improve living conditions in worse off neighborhoods.

Independent of their social status, the residents of all neighborhoods expressed an amazingly large support for such a solidarity tax. Most also approved of making a (financial) sacrifice to support of the socially marginalized neighborhoods. In some cases, the privileged neighborhoods expressed even more solidarity than did residents of the deprived ones.

5. Political integration and representation in German cities

Our study suggest that standard models of urban power structures and the assumption that the political exclusion of marginalized neighborhoods and the preferential position of privileged neighborhoods will bias the distribution of municipal spending in favor of the latter do not describe the reality of urban politics in the four German cities we examined. This stems partly from the fact that highly privileged residents want and need less from city government than do very underprivileged residents. Moreover, both types of neighborhoods have equally weak political representation. The residents of the privileged neighborhoods do, however, possess a systemic influence that reflects their social and material resources. Despite the fact that the residents of the marginalized neighborhoods are largely disconnected from the center of urban political power, media pressure, the values of political elites, and the persistence of local integration regimes ensure that their interests continue to have a major place in urban policy.

These findings provide a negative answer to the initial question about whether urban political systems are turning their backs on the deprived neighborhoods and further marginalizing problem-stricken districts. In general, city governments in Germany are giving steady attention to deprived neighborhoods – without these measures initiating any fundamental change in these neighborhoods or ameliorating the life chances of their residents. This failure reflects the limited instruments available to city governments as well as the lack of ‘development potential’ in these areas.

Local governments have a good deal of experience with and long institutionalized relationships with marginalized neighborhoods in German cities. City administrators act professionally and apply universalistic norms. They clearly consider themselves responsible for the entire city and attempt to mobilize resources for deprived neighborhoods. This institutionalized process of care provides any resources available without being able to address the structural reasons that have created social distress in the first place. Hence, the best overall characterization of the situation, drawn from Diagram 1, is that of *managed marginality*.

Local governments in German cities play an integrating role because they advocate, beyond party-related favoritism, consideration of the interests of all parts of the city. The professional bureaucracy evidently does not need political or electoral support for this position because it draws on legally defined principles and deeply embedded norms.

Whereas the discourse on growth policies is the most visible part of urban politics, emphatically represented by a regime of landowners, entrepreneurs, economic developers, and executive consultants, supplemented by local political leaders and the media, it operates alongside a parallel regime of socio-political players, non-profit organizations, citizens’ initiatives, the local media, and party representatives who work in a more hidden manner and try to perform social integration functions. Thus, the European city may well be characterized by a ‘dual regime,’ not the classic power structure of the American city.

6. Theoretical conclusions

Can the empirical results of regime theory as carried out in the United States be transferred to German cities? When regime theory was applied to the European context, its fixation on the local level was seen as a major shortcoming (Harding 1994). Politics of the central government – not only in terms of financial aid and regulations but also in terms of direct intervention – are decisively more relevant for local affairs in Europe, especially Germany, than in the United States.

Regime theory's focus on the need for public actors to forge cooperative relationships with those in the private sector also reflects the institutional state of fiscal federalism in the United States. The federal government provides far fewer resources to local government in the United States than in Europe; American cities must therefore rely to a much greater extent on co-operation with financially strong private partners. Real estate taxes are a much bigger source of municipal revenues in the United States. than Europe. Real estate investors thus play a far more central role. Finally, American city governments have a significantly less authority over land use and urban development than is generally true in Europe (DiGaetano, and Lawless 1999).

The tension between government and governance varies according to the different players' access to resources and competencies, to the problems they face, and to the institutional environments within which they operate. Societies where private markets have a wide latitude (Great Britain and the United States) need to be distinguished from 'institutionalized economies' (Le Galès 2002, 483) characterized either by strong state intervention (France) or institutionalized compromises (Germany, Scandinavia). In the latter countries, municipal administrations have a strong ethos of professional administration in a classic Weberian sense – civil servants have great influence over the formulation of policies and partisan politics tends not to have much impact on their work (DiGaetano, and Klemanski 1993). The most important players in German local affairs are the mayor, city councilors who act as heads of departments, and the leader of the majority parliamentary party. Rarely do representatives of the private sector or other outsiders play important roles, as they often do as members of boards or commissions in American cities. In contrast to the American situation, German studies (Gissendanner 2002a) suggest that the central dividing line in urban politics is between politics and administration and not between the public and private sectors, as may be the case in the United States. (Banner 1982).

6.1. The city as enterprise

The German conception of the 'city as enterprise' is certainly consistent with the view that pro-growth coalitions play a central role in American cities. However, it is more a slogan in the German setting than an actual governmental practice. Both the institutional framework of communal autonomy in Germany and the long historical commitment to a large public role in urban development and social policy, including abundant communal institutions and a large supply of non-market housing, constrain the tendency of German cities to act like private enterprises. Yet even in Germany, new forms of governance, including 'public-private partnerships', are emerging in response to the state's declining capacity to shape economic and social trends.

Germany's large cities are not pursuing growth at the expense ignoring the processes of fragmentation and marginalization. Yet fiscal stress and inter-city competition are pushing

German cities towards being more entrepreneurial. We find, however, that even as cities' political leaders strive –irrespective of their party affiliations – to compete more effectively and economize on public services (Häussermann, Läzer, and Wurtzbacher 2007) they have not abandoned their commitment to addressing social problems and helping poor neighborhoods.

6.2. The German Urban Regime

American urban regime theory emphasizes how public actors must gain the co-operation of private actors to carry out their agenda. Essentially, the 'capacity to govern' in the American setting arises at least partly from different partners pooling their resources to achieve common goals. This may require creating a coalition to promote growth or to avert disinvestment, but it could also favor redistribution. The general point made in the American literature that we need to look at how public and private players interact remains valid, but this interaction takes a quite different form in the German setting.

Banner (2001) tried to capture the specific characteristics of the German municipal constitution of the 1970s in the term 'preliminary decision makers': the municipal administration and those occupying leading positions in parties or parliamentary groups form a circle which frames the issues that are allowed into public debate by the city council and larger public (Bachrach, Morton, and Baratz 1962). Popularly elected mayors hold a key position in this oligopoly (Gissendanner 2002b).

Heinelt and Mayer (1993, 16) find Elster's 'two-filters-model' a useful way to look at how political actors behave in this setting. In a first filter, cultural norms, economic and technological conditions, and political institutions and rules set boundaries on the 'realms of possibilities' from which local players eventually choose in a second process of filtering. While comparative studies of local politics within one society can reveal something about how the second filter works, cross-national studies shed more light on the first filter.

In their comparative study on the locational decisions of large retail centers Rudolph, Potz, and Bahn (2005) put out that the degree to which the local level influences these decisions varies considerably across different countries. However, the authors also show that practices may vary within one country, underscoring the importance of local affairs – that is the second filter – alongside the large impact of the first filter. Comparative studies have often followed the 'regulation approach', assuming that accumulation regimes produce distinctive national forms of regulation (Heinelt, and Mayer 1993, 8) that operate more or less uniformly at the local level. However, such cross-national distinctions are not very good at explaining the fact that substantial within-nation variation also takes place (Mayer 1991). It remains just a macro-theory, not one that can explain outcomes in local politics. It underestimates the theoretical importance of how local actors and their combinations can influence local affairs.

German research on local politics remains strongly focused on the political-administrative apparatus that plays a dominant role in local politics. Gissendanner (2002b) observed that the mayor, council members who act as department heads, and leaders of the parliamentary groups and parties jointly form a local governing coalition that can determine the content of local policy debates, in some cases with representatives of private sector interests, but without them in other cases. If the key characteristic of a regime is co-operation between public and private sector actors, such regimes have not been typical in Germany. That is why Gissendanner refers to a specifically 'German urban regime' (2002a). As a study of post-

unification construction in Berlin concludes, ‘the regime model does not explain the politics of development in Berlin’ (Strom 2001, 225). The five characteristics of local governance in Berlin that lead her to this conclusion may be generalized to other German cities as well:

- German cities have more authority over the market than is the case in the United States.; as a result, they have less need to cooperate with private partners.

- National political parties play roles in local politics that makes regime formation difficult.

- Urban economies in Germany provide fewer resources for such partnerships.

- Experts and consultants play a larger role in the German setting, thus introducing a new player.

- The local political cultures of many German cities may relieve political elites from having to mobilize public support for their coalitions.

Clearly, American theories of urban politics cannot be translated directly into the German setting. At the same time, they offer insights that have proven useful to explaining how things happen in German urban politics. In both settings, a range of players interact within a bounded setting to create the capacity to govern. In Germany, both the boundary conditions – the first filter – and the specific mode of interaction – the second filter – are quite different than those prevailing in the much more market-sensitive, much less state-centered environment of American urban politics. The ‘European city’ may be an ideal type being put under increasing stress from the forces of global competition and fiscal stress, but it still operates to a remarkable degree in Germany and Scandinavia.

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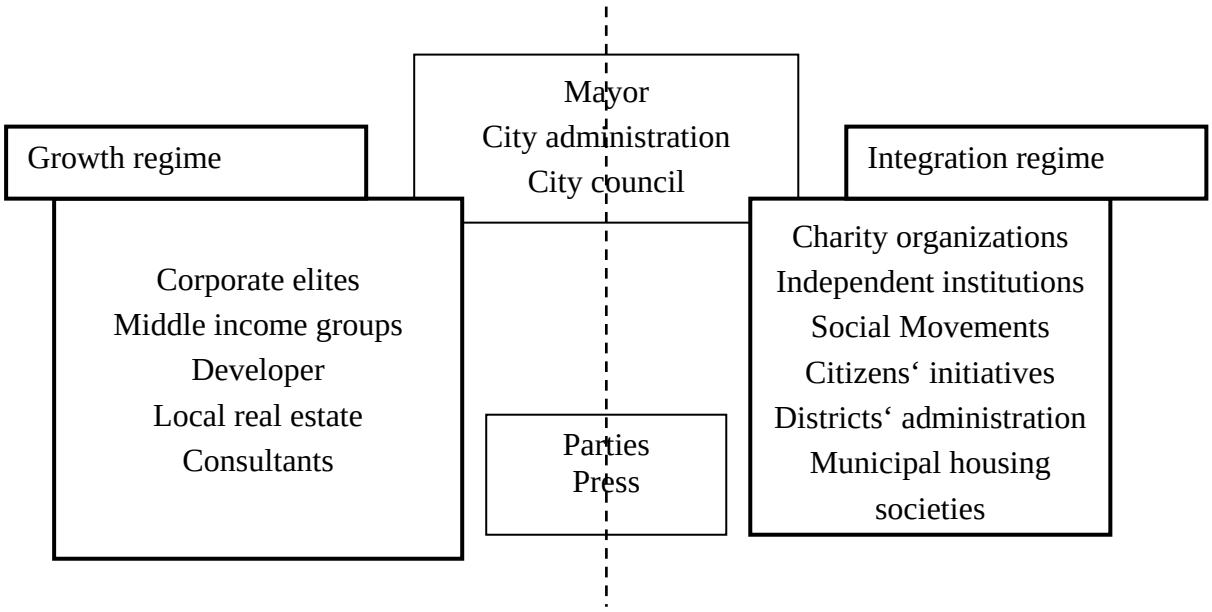
Figures

Diagram 1: Political integration of city-districts

Municipal politic institutions / ***Neighborhood political activities***	***Representation***	***Exclusion***
Participation *(high level of activity)*	active political integration	participatory insularization
Abstention *(low level of activity)*	managed marginality	political exclusion (disintegration)

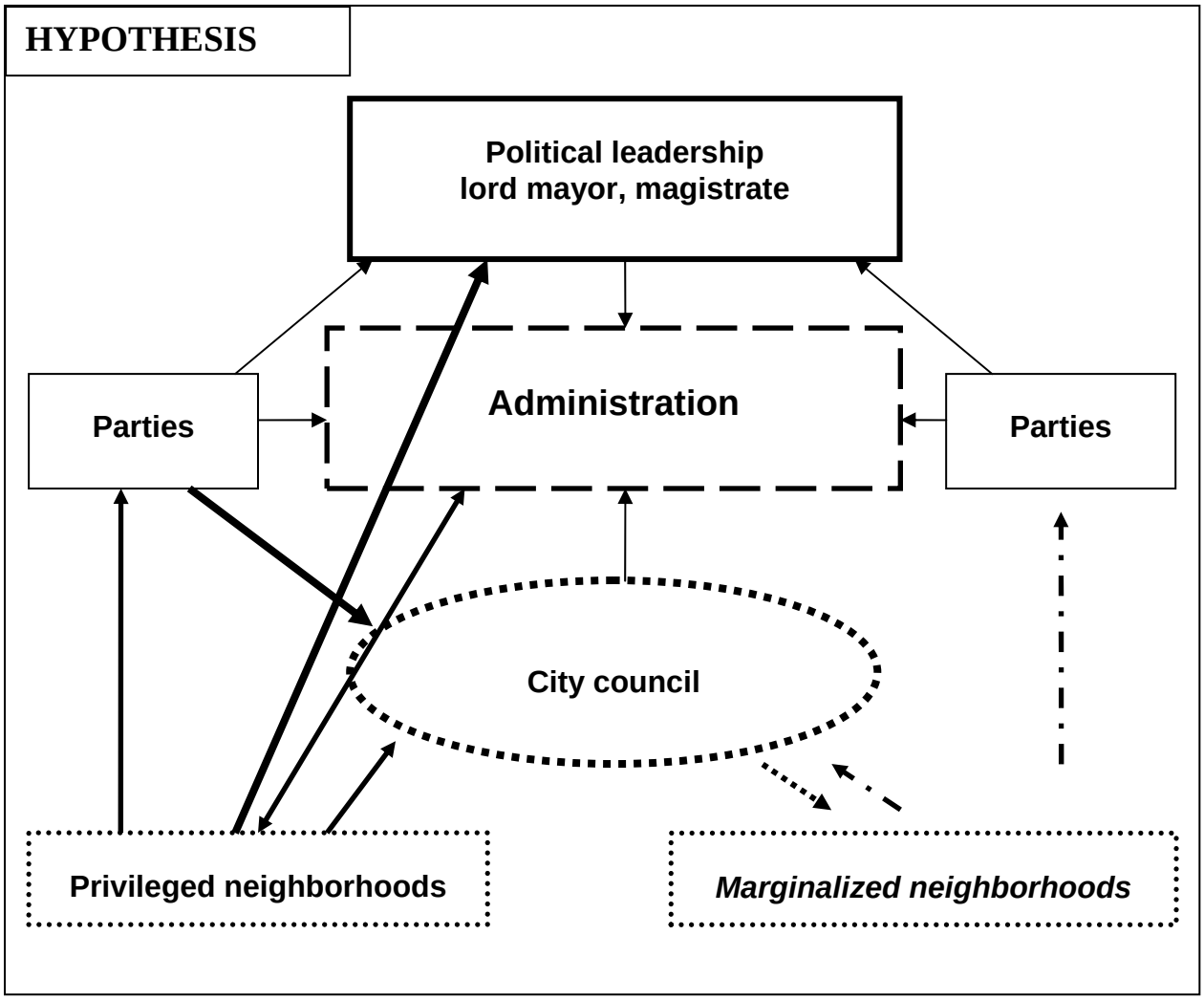
Source: Based on own creation

Diagram 2: the urban dual regime



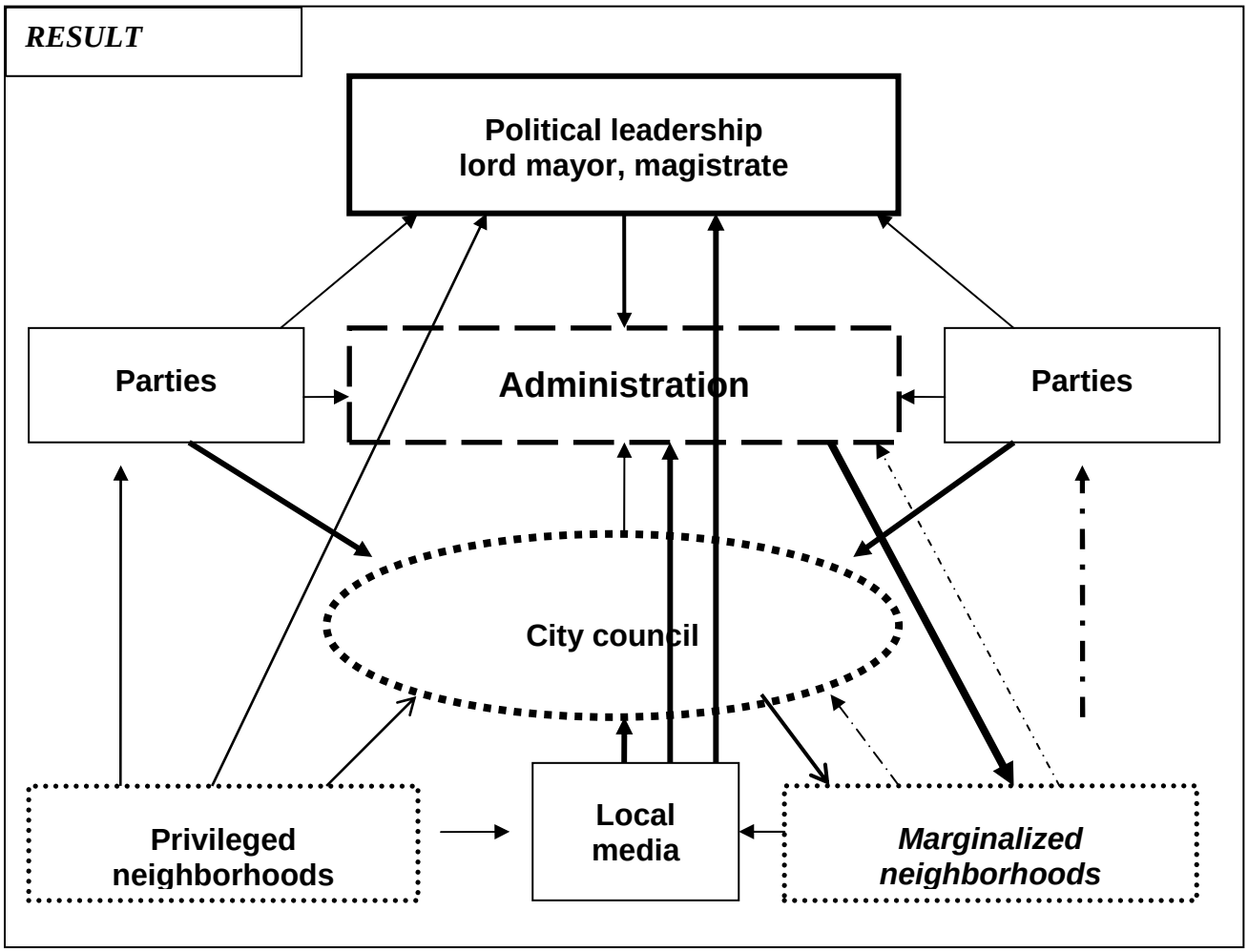
Source: Based on own creation

Chart 1: The differing political representation of city districts – initial hypothesis: marginalized neighborhoods with disconnected representation and communication relations



Source: Based on own creation

Chart 2: The political representation of city districts



Source: Based on own creation

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