

Chapter 8

City Management in the USA and Western Europe: Historical Background and Implementation Experience



Alexander V. Dyatlov, Vitaly V. Kovalev, Svetlana A. Tikhonovskova,
and Liana R. Barashian

Abstract The purpose of the chapter is to identify the historical prerequisites to create (for the establishment) the Institute of city management through the prism of its tasks in Western countries to assess the possibility of applying the Western experience in the Russian Federation. As a basic methodology, the authors use the neo-institutional paradigm, which is based on the understanding of social institutions as formal and informal constraints that reduce the complex of uncertainties in the system of social choice. The city management as a system of municipal government appeared in the USA and was created to (address) solve specific historical problems facing the municipal government of (the) that time.

1 Introduction

The transformation of the urban environment into a multidimensional and complex social space, which took place in the early twentieth century, sets the task of optimizing the work and improving the efficiency of management decisions to the Institute of municipal management, which led to the emergence of a new system of municipal management, known as city management. This system, which was founded in the USA, has been spread to many Western European countries, and is currently undergoing the process of its adaptation in the Russian Federation. Due to the fact that the implementation of any foreign management systems and approaches carries with it many risks and obstacles in implementation, there is a need to consider the system of city management in the context of municipal practices, typical for

A. V. Dyatlov · V. V. Kovalev
Southern Federal University, Rostov-on-Don, Russia

S. A. Tikhonovskova (✉)
Platov South-Russian State Polytechnic University (NPI), Novocherkassk, Russia

L. R. Barashian
Institute of Service and Business (Branch), Don State Technical University, Shakhty, Russia

© Springer Nature Switzerland AG 2020

E. G. Popkova, K. V. Vodenko (eds.), *Public Administration and Regional Management in Russia*, Contributions to Economics,
https://doi.org/10.1007/978-3-030-38497-5_8

59

countries of its origin, and, analyzing its essential characteristics in the historical and social context, to assess how effectively it is possible to implement a system of city management in Russia, which is progressing in the transformation of its institutional processes and is trying to find the most effective ways to implement civil and municipal practices in many different regions.

The object of the study is the Institute of city management in the USA and Western Europe. The subject of the research is the origin and evolution of city management in Western countries.

The purpose of the chapter is to identify the historical prerequisites to create the Institute of city management through the prism of its tasks in Western countries to assess the possibility of applying the Western experience in the Russian Federation.

Achieving this goal involves two tasks:

1. Determine the origin and evolution of city management in the USA
2. Assess the origin and evolution of city management in Western Europe

2 Materials and Methods

As a basic methodology, we relied on the neo-institutional paradigm, which is based on the understanding of social institutions as formal and informal constraints that reduce the complex of uncertainties in the system of social choice. This understanding allows not only to assess estimate the trajectory of social actors in the process of choosing certain forms of behavior but also to put the assessment in the context of target determinism. This makes it possible to assess social activities in the context of the concept of rational choice. The present study is based on the general scientific principles of historicism, comparative historical analysis, comparative analysis, and method of typology.

3 Result

Historically, the city of Staunton, located in Virginia, the USA, was the first to be introduced a system of government that replaced the elected mayor with a contract Manager appointed by the city Council. For a deeper understanding of why the urban management system was implemented in modern megacities originated in small cities of the USA, it is worth analyzing the situation in which city managers were in the early twentieth century. One of the main problems that had to be overcome in the emerging system was the political commitment of the elected mayors of the cities, who for their election campaigns, as well as subsequent urban reforms and investments attracted representatives of the political and economic elite to use the administrative apparatus of the municipal government. This system was characterized by the fact that the mayor, being elected with the support of representatives of the urban political and economic elite who invested in him various types of capital, by

preliminary agreements, reformed the apparatus of municipal government and appointed people to various positions, which he had previously agreed with his patrons. Thus, in the system of popular city elections, the main beneficiaries were representatives of the political elite, and this, in turn, led to the fact that the members of the city councils—the main representative bodies that manage the city decided to depoliticize the institution of municipal government and following the progressive trends that were widespread in the city administration of that time, began for a certain period to hire a Manager “from outside,” not affiliated with political forces and being a professional in his field, who came from business or various social services. The second major challenge that the city Manager had to overcome was the need to address the specific and localized challenges specific to each city in which the system was implemented. For example, in a city experiencing transport problems, a city Manager was hired, who was a specialist in transport systems, coming from transport companies or from the sphere of transport logistics. In other words, the city Council analyzed the main urban problems and for a specific period, which varied in each state, hired a specialist who had to focus on the problem that was stipulated in his contract.

On the one hand, it is difficult to deny the effectiveness of solving specific urban problems by a hired Manager who specializes in a certain area, but on the other hand, the isolation of the city Manager from the city population and the lack of a mechanism for its reporting to urban residents can be one of the arguments in favor of the inefficiency of city management as an institution. Also, critics of the analyzed model claimed that the hired Manager would not think about strategic long-term plans for the development of urban infrastructure, which can lead to the fact that city managers, who will be hired by the city Council, can neutralize the achievements of their predecessors and interact with problem fields in the urban environment in their own way, guided only by their experience and management culture. It is worth noting that the replacement of direct elections of the mayor by hiring a city Manager, for which the Commission formed from the city Council is responsible, can also lead us to the question of the democracy of such a system. This is explained by the fact that, if we consider city management from a different angle, we can come to the conclusion that it deprives the population of the city of power over the processes taking place in it, because if earlier the entire population participated in the elections and decided who will be the head of the city, now this decision is made for them by the city Council and it determines the most significant problems of the urban environment, not allowing the population to actively participate in decision-making. However, as mentioned earlier, the system of city management was born in small cities of the USA with a population of no more than 50,000 people. Due to the historical context of democratic practices in the USA, it can be concluded that at the time of the emergence of this system it was not undemocratic, but rather stimulated an increase in the responsibility of elected representatives of the city Council to the population. In order to understand this mechanism better, we propose to consider it in detail. The population votes for the candidates competing among themselves in city Council, each of which has election promises and the target audience corresponding to it. For example, one candidate can be elected by consolidating the forces of pensioners and

budget employees, the other can rely on the support of the population involved in agriculture or industry. In other words, each member of the city Council is elected by the people on whose support he expects and on which his election for the next term depends. Since in small towns representatives of the city Council are public figures known to almost every resident, their responsibility to them increases, which in turn leads us to the conclusion that in the above conditions, the city Council hires the city Manager who, in their opinion, most meets the needs of the city and who will be able to most effectively meet the needs of the population, which supported the city Council in its current composition. Based on the above, we can conclude that, in the social reality in which the Institute of city management was born, it was democratic and effective from a managerial point of view, a system that was designed to solve the problems of politicization of the mayor-Council management system and improve the efficiency and professionalism of specialists working in the field of municipal management, by bringing politically not affiliated and focused on the effectiveness of a specialist from business or other social services. Although the city management system was not without criticism, its effectiveness in small cities in the USA demonstrated the prospects of the Soviet-management system of municipal government, which led to the introduction of the Institute of city management in many cities of the USA and Western Europe.

Summing up the analysis of the historical prerequisites for the emergence of the Institute of city management, we can say that it appeared as a desire of progressive-minded members of the city councils of small cities of the USA to overcome the evils of the electoral system with its inherent “production system,” as well as the need to improve the professionalism of municipal government specialists through the hiring of an independent of political parties and other representatives of municipal structures of the city Manager, who was to bring to the Institute of municipal administration his vision of urban problems and ways to solve them, based on his professional experience and managerial competencies. Despite the criticism from the adherents of the classical system of choosing the mayor as the head of the municipality, city management is firmly entrenched in small cities of the USA, and for 40 years there was a process of transformation and hybridization that changed its appearance at the present time, which led to attempts by other countries to implement city management in their system of municipal control.

City management, firmly entrenched in the early twentieth century in small cities of the USA, became widespread in other countries after the Second World War and the intensification of globalization. This is explained by the fact that in most cases the economic and social trends that came from the USA are characterized by a high degree of rationalization, which, in turn, is a product of neoliberal approaches to socioeconomic development. This approach, which makes it easier to assess the effectiveness of urban governance by focusing on quantitative indicators, has proved to be attractive to cities in Western Europe that were faced with the need to engage in global economic processes. It was necessary to optimize the urban spaces of European countries and turn localized communities into global, and to achieve this goal it was necessary to rethink the essence of urban spaces and their transformation into so-called “global” or “world” cities. In the discourse of the European municipal

government, the abovementioned words are quite common and reflect the main interest of the municipal managers of the European Union—to rationalize urban management and put it on the rails of unification in such a way as to turn the European space not just into a politically unified “European house,” but into one big “European city.” This, in turn, means the fact that the Western European vector of development is correlated with the American one and plans to build certain economic bridges between Europe, the USA and other regions that can potentially enter into a single global space.

However, due to the fact that the cultural and mental code of Europeans is different from the residents of the USA, in the city management system in its American understanding it was necessary to make some changes regarding the approach to management decision-making. The main difference between the European approach to city management and the American one is the preservation of traditional forms of municipal management and the integration of specialists from business and social organizations in the management of the city and not the replacement of traditional forms of municipal management with a radically new one. One of the most important and historically justified elements of the European mentality is the struggle for their rights and benefits and the rejection of attempts to influence them through management decisions taken by the state or city authorities. From this it follows that the American scenario coming from the Manager, arranging the rotation of personnel and making unpopular, but the right decisions will not work as effectively as in the USA, and in most cases will inevitably cause protests from the urban population. In this regard, the European space has developed its own approach to city management, which is characterized by focusing on the transformation of urban spaces of European cities from local to global. In other words, the European school of city management prefers to unite many cities into a single space, postulating the principles of mobility, professionalism, and global spirit. The mechanism of the European school of municipal administration is simple—to integrate cities into a single economic space, in which the problems of one urban space can be solved at the expense of another. Although this system has its drawbacks, which we see now, but at the time of choosing the vector of municipal development of European cities, such a choice was rationally explained by the dominance of globalization trends that promised universal well-being achieved through inclusion in global socioeconomic processes.

For a deeper understanding of the mechanisms of the European city management, we propose to consider its main structural differences from the American one. The Institute of city management in Western Europe differs significantly from the similar system of the USA and in fact has similarities only in the desire to improve the professional level of urban managers and their adaptation to the rapidly changing socioeconomic trends of the world economy. If in the USA the hired city Manager replaced the mayor and could somehow influence the work of city councils, in Europe the city management was transformed from alternative system in supplementing. In other words, the Institute of municipal administration of European large cities has started to hire advanced specialists to optimize urban space in the so-called “global” cities or “world” cities. An interesting fact is that it is in Europe that a specialty called “city management” has become widespread, but unlike the American approach,

within this specialty, a management concept is created, implemented in cooperation with all representatives of the municipal elite of the enlarged urban agglomerations. It is aimed at training personnel, divided into many specialties, which form a holistic approach to the new management of European urban spaces through the prospect of including local urban spaces in the global. An important feature of the European city management from the American is that it focuses not so much on the qualitative change in living conditions of the population, by investing in specific industries or redirecting funds from one part of the city to another, as was done in the traditional American system, and in creating conditions for self-development of citizens. In other words, since urban managers in Europe are often constrained by the chains of public opinion that do not accept unpopular solutions that can affect the standard of living of the population, they have to work creatively and through cooperation with a large number of nonprofit organizations, trade unions, and other public organizations to build not only just global but also “smart” cities that are highly adaptive to external changes and can quickly respond to trends in the global economy and technological progress. The so-called “smart” cities in the European sense are cities in which a citizen has countless opportunities that will help him to implement the municipal government, cooperating with many public organizations.

4 Discussions

The Institute of city management has received an extremely ambiguous assessment in science, among which there are both negative and positive connotations (Ansell and Gingrich 2003). We found it necessary to divide all negative judgments on the problems of city management into three basic directions. With some degree of conditionality they can be called so:

1. Accusations of anti-democracy (Hayes and Chang 1990)
2. Accusations of managerial inefficiency (Nalbandian 1989)
3. Accusations of increasing the potential of financial risks (Svara et al. 2013)

On the other hand, there is quite a large group of scientists who have accepted the Institute of city management positively and tend to see it as a favorable trend for the development of local government (Wood and Fan 2008).

There is an opinion that the work of the city Manager is based on the division of economic and political functions, which will allow the candidate appointed by the competition on a contract basis in his management activities to fully focus on solving the current issues of the functioning of the municipality (Zhang and Feiock 2010). It is argued that the inclusion of regional authorities in the procedure for the appointment of a city Manager under the contract, on the contrary, will not worsen, but significantly improve the prospects for the management of the municipality, as it will make it possible to combine the efforts of different branches of government to solve the problems of local self-government development (DeSantis and Tari 2002). Also, a number of scientists note that the practical implementation of the city management

model is necessary because it will lead to significant savings of funds previously spent on municipal elections (Frederickson et al. 2001). In addition, some experts believe that the most important advantage of the city management model is that it provides an opportunity to terminate the powers of the city Manager ahead of schedule if he does not cope with the duties assigned to him. As for the same action concerning the nonprofessional head of local government chosen by the population, it is extremely complicated procedurally and demands essential financial expenses (Moulder 2008).

5 Conclusions

Summarizing all the above, we can conclude that the city management as a system of municipal government appeared in the USA and was created to solve specific historical problems facing the municipal government of that time. The popularity of this institution led to the neoliberal approach to economic development and the ambition to rationalize all spheres of social and economic life of urban residents. We can say that the Institute of city management, which was originated in the USA, appeared on the wave of rationalization and the desire to improve the efficiency and professionalism of many civil servants, which, in turn, is explained with the progressive movement, which was widespread in the early twentieth century in America. The intensification of globalization processes, which was characterized with the import of many American approaches to management to other countries, led to the fact that European municipal managers decided to implement this system, significantly changing it, but leaving the main goal—to increase the professionalism of municipal management personnel, which must quickly adapt to the rapidly changing trends in the world economy and technological progress. From the above, we can conclude about the conditions that are necessary for the implementation of city management and its effective operation. This is the presence of civil society, characterized by a high degree of involvement of the population in civil activity, as well as the legal and political consciousness of the population, able to actively participate in public and political life, as well as a clear understanding of what it wants to get from the municipal authorities and how this desire to broadcast through the Institute It is also necessary to have active and supported by the population and the government of public organizations with high civic activity, which can, based on the principles of dialog, cooperate with representatives of the municipal authorities and point to the problems of the field in the city administration. In other words, city management, as a system of urban space management, is typical for Western democratic legal States, characterized by inviolability of private property, strict regulation of state intervention in the life of the population, as well as a high degree of civic involvement of residents of urban spaces in public and political life. From this it can be concluded that if in the city in which it is planned to introduce the city management system, one of the above conditions is not followed, there is a high probability of reducing the efficiency of municipal management, the removal of residents from active participation in

solving urban problems and the mismatch of approaches of effective managers and civil servants, which, of course, can further worsen the processes of municipal management. This, of course, excludes the possibility of achieving social and administrative solvency of city management, as the results of the reform will not meet its declared objectives.

Acknowledgments The chapter has been prepared within the framework of implementation of the grant project of the Russian Foundation for Basic Research No. 18-011-01113 “The City management institution in the present-day Russia: Administrative and Social Consistency (Through the Example of Municipal Corporations of the Southern Federal District).”

References

- Ansell C, Gingrich J (2003) Reforming the administrative state. In: Democracy transformed? Expanding political opportunities in advanced industrial democracies. Oxford University Press, New York
- DeSantis VS, Tari R (2002) City government structures: an attempt at classification. *State Local Gov Rev* 34(2):28–39
- Frederickson HG, Curtis W, Brett L (2001) How American city governments have changed: the evolution of the model city charter. *Natl Civ Rev* 90(1):49–58
- Hayes K, Chang S (1990) The relative efficiency of city manager and mayor-council forms of government. *South Econ J* 57:167–177
- Moulder E (2008) Municipal form of government: trends in structure, responsibility, and composition. In: The municipal year book - 2008. County Management Association, Washington
- Nalbandian J (1989) The contemporary role of city managers. *Am Rev Public Adm* 19:261–277
- Svara JH, Watt T, Jang HS (2013) How are U.S. cities doing sustainability? Who is getting on the sustainability train, and why? *Cityscape* 15(1):9–44
- Wood C, Fan Y (2008) The performance of the adapted city from the perspective of citizens. *Public Perform Manag Rev* 31(3):407–430
- Zhang Y, Feiock RC (2010) City managers’ policy leadership in council-manager cities. *J Public Adm Res Theory* 20(2):461–476