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Types of Multi-Level Governance

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Abstract:

The reallocation of authority upwards, downwards, and sideways from central states has drawn attention from a growing number of scholars in the social sciences. Yet beyond agreement that governance has become (and should be) multi-level, there is no consensus about how it should be organized. This paper draws on several literatures to distinguish two types of multi-level governance. One type conceives of dispersion of authority to a limited number of levels. A second type of governance conceives of a large number of functionally specialized, intersecting, and flexible jurisdictions. We conclude by specifying the virtues of each type of governance.

We know far more about *how* authority should be exercised than *for whom* it should be exercised. Democracy is silent on questions of boundaries. There is far less consensus about jurisdictional borders than there is about how decisions should be made within those borders.

Issues of governance have gained the attention of a large and growing number of scholars in EU studies, international regimes, federalism, institutional policy analysis, and neoclassical political economy.* On the one hand, decision-making has spilled beyond core representative institutions to regulatory agencies, or international functional organizations. Public/private networks of diverse kinds have multiplied at every level from the smallest to the largest scale. On the other hand, formal authority has been dispersed from central states both up to supranational institutions and down to subnational governments.¹

One intellectual response has been to stretch well-established concepts over the new phenomena. Scholars of federalism have applied their approach to power sharing among as well as within states. International relations scholars have begun to extend theories of international regimes to diffusion of authority within states. Another response has been to generate entirely new concepts, such as multi-level governance, polycentric governance, multi-perspectival governance, condominio, and fragementation.²

Each of these concepts has its own particularities, but all refer to the dispersion of authority away from central government—upwards to the supranational level, downwards to subnational jurisdictions, and sideways to public/private networks. The common evolution of similar ideas in diverse places can be explained partly as diffusion from two influential literatures—federalism and new institutionalism.³ But we suspect that it also arises because social scientists are grappling with a common set of political changes.

Our goal in this paper is not to provide an intellectual history of these fields, nor is it to evaluate the particularities of the concepts that have been put forward.

* Earlier versions of this paper have been presented at the European Union Studies Association in May 2001; at a conference on “Multi-Level Governance: Interdisciplinary perspectives” held at Sheffield University in June 2001; at the Weatherhead Center for International Studies, Harvard University in November 2001; the Workshop for Institutional Analysis, Indiana Bloomington, in March 2002; and a conference on “Multi-Level Governance and Federalism” organized by the University of North Carolina at Chapel Hill in March 2002. We wish to thank participants at these events for comments. Our special thanks go to Ian Bache, Simon Bulmer, Peter Hall, Bob Jessop, David Lake, David Lowery, Michael McGinnis, Andy Moravcsik, James Rosenau, Elinor Ostrom, Alberta Sbragia, Christian Tusschoff, and the political science discussion group at the University of North Carolina. None of the above are responsible for errors.

¹ For empirical evidence on decentralization below the national states, see e.g. Garman, Haggard, and Willis 2001, 205; Hooghe and Marks 2001, 191-212 (appendix 2). For data on governance above the national state, see e.g. Shanks, Jacobsen, Kaplan 1996; Boli and Thomas 1999.

² We define governance as authoritative rule making. Such rule making encompasses making, implementing and adjudicating rules. Our focus is on the political realm, that is, on the legitimate exercise of power, as distinct from governance in corporations, private associations and families.

³ Elinor Ostrom and her collaborators come to a similar conclusion (Gibson, Ostrom, Ahn 2000, 233).

Instead, we show that behind the multiplication of terms, lie two sharply different conceptions of emerging governance in western societies. We claim that these conceptions are logically coherent, and that they represent alternative responses to fundamental problems of coordination. We conclude by arguing that these types of governance have complementary virtues and vices.

Islands of Theorizing

Let us begin by examining the diversity of the intellectual enterprise. Table 1 lists islands of theorizing that bear directly on diffusion of governance in western societies.

[Table 1 about here]

Among students of the European Union, the label multi-level or multi-tiered governance is widely used to characterize dispersion of authority from central states. It has also entered the daily vocabulary of EU politicians.⁴ Multi-level governance initially described a “system of continuous negotiation among nested governments at [supranational, national and regional] territorial tiers” in EU structural policy,⁵ but it has come to be applied more broadly in other policy areas and regimes, and engages the participation of non-governmental actors, as well as governments, in authoritative decision making.⁶ Philippe Schmitter has developed Latinized terms, *consortio* and *condominio*, to describe novel possibilities for authoritative dispersion in the European Union.⁷

Reconfiguring authority has been of central concern for international relations scholars. Work on multilateral cooperation and global governance has sought to specify the conditions under which national governments are willing to create international regimes. A classic point of departure is Robert Keohane’s 1982 article in *International Organization*, in which he analyzes demand and supply for international regimes in terms of their capacity to reduce transaction costs and asymmetrical uncertainty—both of which lead to the under-provision of collective goods.⁸ More

⁴ Commission president Romano Prodi has called for “more effective multi-level governance in Europe . . . The way to achieve real dynamism, creativity and democratic legitimacy in the EU is to free the potential that exists in multi-layered levels of governance ” (Prodi 2001). In its 2001 *White Paper on Governance*, the European Commission characterizes the European Union as one “based on multi-level governance in which each actor contributes in line with his or her capabilities or knowledge to the success of the overall exercise. In a multi-level system the real challenge is establishing clear rules for how competence is shared – not separated; only that non-exclusive vision can secure the best interests of all the Member States and all the Union’s citizens” (Commission 2001, 34-35).

⁵ Marks 1993, 392.

⁶ Ansell 2000; Bache ed. forthcoming; Balme and Chabanet 2002; Börzel and Risse 2000; Grande 2000; Héritier 1999; Hooghe and Marks 2001; Kohler-Koch 1998; Kohler-Koch and Eising 1999; Marks 1993; Marks, Hooghe, and Blank 1996; Scharpf 1994.

⁷ Schmitter 1996.

⁸ Keohane 1982; Keohane and Nye 2000.

recently, scholars have begun to examine how globalization facilitates the diffusion of political authority to subnational and international institutions.⁹ Others focus on the proliferation of non-governmental actors as partners in international governance.¹⁰ Several IR scholars hypothesize that these developments have led to the unbundling of territoriality—breaking the umbilical Westphalian cord between territory and authority. Gerald Ruggie compares the outcome with medieval rule, with its superimposed and tangled patchwork of overlapping and incomplete rights.¹¹ James Rosenau argues that national governments are losing ground to network-type of governance arrangements composed of corporations, non-governmental organizations, professional societies, advocacy groups, governments, or combinations thereof. Like conventional government, these SOAs (spheres of authority) ensure compliance, but they are non-hierarchical, fluid, mostly non-governmental, and often non-territorial.¹²

Federalism constitutes a third island of theorizing. Scholars in this field have sought to specify the optimal allocation of authority across multiple tiers of government and how governments at different scales interact. Among the terms they adopt to describe systems of diffused authority are multi-level governance or government,¹³ multi-centered governance,¹⁴ multiple jurisdictions,¹⁵ and matrix of decision making.¹⁶ A normative commitment to the benefits of decentralization—summarized by Wallace Oates’ Decentralization Theorem—underlies much of this literature.¹⁷

A fourth literature that bears directly on multi-level or polycentric governance is public policy analysis. An influential starting point is Tiebout’s 1956 article which establishes the claim that competition among multiple local jurisdictions leads to more efficient governance. Flexible governance arrangements have constituted the central research agenda of the Indiana Workshop on polycentric governance for over four decades.¹⁸ Public policy analysts have been concerned also with governance at the national/international interface. Peters and Pierre argue that there is a qualitative difference between multi-level governance beyond national borders and

⁹ Kahler and Lake 2002; Nye and Donahue 2000.

¹⁰ Keck and Sikkink 1998; O’Brien et al. 2000; Reinicke 1998; Risse-Kappen ed. 1995.

¹¹ Ruggie 1993, 149.

¹² Rosenau 1997, forthcoming. A special issue edited by James Caporaso on “Continuity and Change in the Westphalian Order” in *International Studies Review* (Summer 2000) reviews work in these various IR schools.

¹³ Courchene 1995; Simeon and Cameron 2000; Wright 1987.

¹⁴ Kincaid 2001; Nicolaidis 2001.

¹⁵ Oates 1972, 1999; Tullock 1969.

¹⁶ Elazar 1987, 1991.

¹⁷ Oates 1999, 1122.

¹⁸ The best overview of the research by the Indiana Workshop is the three-volume collection edited by long-time collaborator Michael McGinnis 1999a, 1999b, 2000. Two seminal books in this tradition are Ostrom, Bish, and Ostrom 1988, on American local governance, and Ostrom 1990, on self-governance for common pool resource problems. For a critique of polycentric governance in the US context, see Hoogland et al. 1990; Lowery et al. 1995.

traditional intergovernmental relations. Multi-level governance, in their view, denotes that actors are more diverse than under traditional intergovernmental relations, that networks and ad-hoc negotiations are more important than constitutions or legal frameworks, and that there is no logical or hierarchical order between the tiers.¹⁹

Finally, neoclassical economists have applied market principles of competition to the demand and supply of governance. This has led them to challenge the efficiency of monopolistic, territorially fixed, and nested governments and to propose instead flexible jurisdictions conceived as “voluntary coalitions for financing, choosing, and enjoying excludable public goods.”²⁰ Voluntary jurisdictions arguably minimize rent-seeking and optimize public good provision. Interjurisdictional competition informs Alessandra Casella’s work on clubs, Barry Weingast’s market-preserving federalism, Bruno Frey’s FOCJ (functional, overlapping, competitive jurisdictions), and recent analyses of the number and size of nations.²¹

Multi-level Governance as Optimal

These literatures share a basic postulate: dispersion of governance across multiple jurisdictions is more efficient than concentration of governance in one jurisdiction. Efficient governance adjusts particular jurisdictions to the trade-off between the virtues and vices of centralization.²² Large (i.e. territorially extensive) jurisdictions have the virtue of exploiting economies of scale in the provision of public goods, internalizing policy externalities, allowing for more efficient taxation, facilitating more efficient redistribution, and enlarging the territorial scope of security and market exchange. Large jurisdictions are bad when they impose a single policy on territorially heterogeneous populations.

Scale efficiencies vary decisively from policy to policy. Economies of scale are more likely to characterize the production of capital-intensive public goods than of labor-intensive services because economies accrue from spreading costs over larger outputs.²³ So economies of scale in military defense and physical infrastructure are far greater than in education. Large-scale jurisdictions make sense for the former—small-scale jurisdictions for the latter.

¹⁹ Peters and Pierre 2000; also Peterson and O’Toole 2001. For an application of the concept of polycentric governance to Europe, see Le Galès 1997, 247f.

²⁰ Casella and Weingast 1995, 15.

²¹ On clubs: Casella and Frey 1992. On market-preserving federalism: Weingast 1995. On FOCJ: Frey and Eichenberger 1999; Eichenberger and Frey 2001. On size of nations: Alesina and Spolaore 1997; Bolton and Roland 1997; Hiscox and Lake 2002.

²² Alesina and Spolaore 1997; Marks and Hooghe 2000.

²³ Oakerson 1999. One speaks of economies of scale when the average per-unit cost of production decreases as the scale of production increases. In practice, it is extremely difficult to calculate economies of scale for many public goods.

Efficiency requires that a policy's full effects—positive and negative—be internalized in decision making. Externalities arising from a policy to impede global warming encompass the entire planet, but those involving waste management, water quality control, nature preservation, or urban planning, for example, are local or regional. Under multi-level governance, jurisdictions can be custom-designed with such variation in mind.

An example frequently used to illustrate this logic is street lighting (King 1984). How should one decide on which government level is best for providing street lighting? A disinterested ruler would determine the optimal scope of authority taking into account relevant economies of scale and externalities, and then pick a tax rate to finance the public good in a cost-efficient way. But here a tension between economies of scale and externalities emerges. On the one hand, if the lamps produce light for the whole neighborhood, then the ruler should devolve authority to those living in the neighborhood. On the other hand, public lighting involves considerable fixed capital costs, including the cost of maintaining a stable energy source, and this is most likely too expensive for a neighborhood to finance. So the optimal level of government, considering the relevant economies of scale as well as externalities, may be the city. But what if not all neighborhoods desire public lighting, or they disagree on how lighting should be organized?

This raises a second criticism of large-scale government: it cannot accommodate diverse citizen preferences. Preferences of citizens on street lighting may differ widely, and if one takes this heterogeneity of preferences into account, the optimal level of authority may be lower than economies of scale dictate. To take a more significant example, preferences on cultural and educational policy may vary sharply across regions within a state, while preferences for macro-economic stabilization or environmental policy may not.²⁴ In short, multi-level governance allows decision makers to adjust the scale of governance to reflect heterogeneity of citizen preferences.²⁵

²⁴ Assuming that this heterogeneity can be jurisdictionally captured. For most purposes, this demands that heterogeneity is territorial, so that groups have a separate territorial government, or that heterogeneity is socially pillarized, and thus amenable to consociational arrangements. Moreover, the greater the number of jurisdictions, the higher the informational demands on citizens who are assumed to fully understand the costs/benefits of alternative jurisdictional arrangements. This assumption is often unrealistic (Lowery et al. 1995; Hoogland DeHoog, Lowery, and Lyons 1990).

²⁵ This is the core virtue of multi-level governance, but there are additional perceived benefits. Politicians at one level may decide to delegate authority to a different level to facilitate credible policy commitments. They may do this to tie the hands of their successors, or to tie their own hands. The provision of credible commitments underlies the functional argument for international regimes; it also underlies transfers of authority from representative institutions to regulatory agencies, standardization bodies, and functional associations. Giandomenico Majone argues that European regulatory capacity has grown because politicians have sought to credibly commit to market integration (Majone 1998). Finally, multi-level governance arguably facilitates innovation and experimentation (Frey and Eichenberger 1999; Weingast 1995), though this claim is contested (Gray 1973; Treisman 1999; Cai and Treisman 2001).

Two Types of Multi-level Governance

Beyond the bedrock agreement that efficient governance must be multi-level, there is no consensus about how multi-level governance should be structured.

- Should jurisdictions be designed around particular *communities*, or should they be designed around particular policy *problems*?
- Should jurisdictions *bundle* competencies, or should they be functionally *specific*?
- Should jurisdictions be *limited* in number, or should they *proliferate*?
- Should jurisdictions be designed to *last*, or should they be *fluid*?

Answers to these questions describe two logically coherent types of governance, which we depict in Table 2.²⁶ We label them simply as Type I and Type II.²⁷ The first two attributes capture variation among individual jurisdictions, while the final three describe systemic properties.

[Table 2 about here]

Type I multi-level governance describes a limited number of jurisdictions at a limited number of levels. These jurisdictions—international, national, regional, meso, local—are general-purpose. That is to say, they bundle together multiple functions, including a range of policy responsibilities, and in many cases, a court system and representative institutions. The boundaries of such jurisdictions do not intersect. This is the case for jurisdictions at any one level, and it is the case for jurisdictions across levels. In Type I governance, every citizen is located in a Russian Doll set of nested jurisdictions, where there is one and only one relevant jurisdiction at any particular territorial scale. Territorial jurisdictions are intended to be, and usually are, stable for periods of several decades or more, though the allocation of policy competencies across jurisdictional levels is flexible.

Type II multi-level governance is distinctly different. It is composed of specialized jurisdictions. Type II governance is fragmented into functionally specific pieces—say, providing a particular local service, solving a particular common resource problem, selecting a particular software standard, monitoring water quality of a particular river, or adjudicating international trade disputes. The number of such jurisdictions is potentially huge, and the scales at which they operate vary finely. And there is no great fixity in their existence. They tend to be lean and flexible—they come and go as demands for governance change. Because they are

²⁶ An additional question concerns the role of private actors in authoritative rule making. Do elected representatives retain ultimate authority over policy making; is governance characterized by shared rule making through public-private partnerships; or is public governance increasingly substituted by private governance (Börzel and Risse 2002)? According to some analysts, what sets new governance apart from conventional government is the shift from governmental action to public-private partnerships and forms of private governance. While we recognize the significance of distinguishing between public and private actors, this dimension appears orthogonal to the one theorized in this article.

²⁷ We resist the urge to give proper names to these types and so add additional terminological complexity to an already complex terminology.

designed to handle particular policy problems, they often encompass intersecting territories.

In the following sections we elaborate a functional argument explaining why these types co-exist. But first, we describe them in more detail and ground them in their respective literatures.

Type I governance

The intellectual foundation for Type I governance is federalism, which is concerned with power sharing among a limited number of governments operating at just a few levels. Federalism is chiefly concerned with the relationship between central government and a tier of non-intersecting sub-national governments. The unit of analysis is the individual government, rather than the individual policy. In the words of Wallace Oates, dean of fiscal federalism, “the traditional theory of fiscal federalism lays out a general normative framework for the assignment of functions to different levels of government and the appropriate fiscal instruments for carrying out these functions.”²⁸ The framework is system-wide; the functions are bundled; and the levels of government are multiple but limited in number.²⁹ Type I governance shares these basic characteristics, but does not necessarily exist only within individual states. We discuss these characteristics in turn.

General-purpose jurisdictions. Decision-making powers are dispersed across jurisdictions, but bundled in a small number of packages. Federalists and students of intergovernmental relations tend to emphasize the costs of decomposing authority into disparate packages. This idea is especially strong in Europe where local government usually exercises “a wide spread of functions, reflecting the concept of general-purpose local authorities exercising comprehensive care for their communities.”³⁰

Jurisdictions with non-intersecting boundaries. Governments located at the same level do not overlap with each other. They are separated by durable boundaries. Moreover, the boundaries of jurisdictions at higher and lower tiers do not intersect with each other. This extends the Westphalian principle of exclusivity into the

²⁸ Oates 1999, 1121.

²⁹ Traditional federalism studies focus primarily on constitutional federations (e.g. Riker 1964; Wheare 1953; but not Elazar 1987, 1991; Watts 1999). Contemporary work on (fiscal) federalism grapples more generally with the benefits and costs of centralization vs. decentralization of authority in all countries with non-unitary rule and beyond the national state (Besley and Coates 1999; Bird and Vaillancourt 1998; Inman and Rubinfeld 1997; Prud’homme 1995; Treisman 1999). Applying categories from American federalism, several scholars have analyzed the dynamics of fiscal federalism in post-EMU European Union (Börzel and Risse 2000; Bureau and Champsaur 1992; Burgess 2000; Casella and Frey 1992; Casella and Weingast 1995; Inman and Rubinfeld 1992; Sbragia 1992, 1993; Scharpf 1988; Vaubel 1994; Weiler 2000).

³⁰ Norton 1991, 22.

domestic arena.³¹ The same principle is present in the international arena, where the United Nations, the WTO, and the European Union encompass national states.³²

The key systemic characteristics of Type I governance are as follows:

Limited number of jurisdictions. A major consideration in Type I governance is that jurisdictions be large enough to carry out multiple tasks. This concern was high on the mind of local government reformers in Europe in the 1970s. Local government in Europe was traditionally close to the citizen. As the welfare state expanded and economic development policies changed, local governments were increasingly unable to carry out their multiple tasks independently, and sought to pool resources in collaborative arrangements. Analysts were quick to point at mounting coordination costs, and called for reducing the number of local governments through amalgamation.

Limited number of jurisdictional levels. Type I governance organizes jurisdictions at just a few levels. Among students of intergovernmental relations, it is common to distinguish a local, an intermediate, and a central level, but the utility of additional levels of authority is debated.³³

System-wide, durable architecture. One does not arrive at general-purpose, non-intersecting, and nested jurisdictions by accident. Systemic institutional choice is written all over Type I governance. In modern democracies, Type I jurisdictions usually adopt the *trias politica* structure of an elected legislature, an executive (with a professional civil service), and a court system. As one moves from smaller to larger jurisdictions, the institutions become more complex but the basic structure is similar. Though the institutions of the US federal government are far more complex than those of a French town, they resemble each other more than they do the Type II arrangements described below.

Type I jurisdictions are durable. Jurisdictional reform—that is, creating, abolishing, or radically adjusting new jurisdictions—is costly and unusual. While it is true that “a well-functioning federal system is . . . always a candidate for change,”³⁴ such change normally consists of re-allocating policy functions across

³¹ Caporaso 2000, 10; see also Krasner 1999. The boundaries that separate general-purpose governments are usually territorial, though some general-purpose governments encompass groups rather than territories. Examples are corporatist governance, the clan system in Somalia, communal self-governance in the Ottoman empire, religious self-governance in India, and consociational governance in pre-war Belgium and the Netherlands.

³² There are a few exceptions. For example, Greenland and the Faeroe Islands, self-governing parts of Denmark, are not members of the European Union.

³³ In many European countries, the intermediate, or meso, level is a post-WWII institutional innovation. As Sharpe observes: “What seems to be a near-universal phenomenon over the last twenty years or so in the Western European state, namely the emergence of an intermediate level of government between the centre and the basic municipal or communal level . . . The meso constitutes one of the most important institutional changes in the modern Western state” (Sharpe 1993, 1).

³⁴ Nicolaidis 2001, 446.

existing levels of governance. The institutions responsible for governance are sticky, and they tend to outlive the conditions that brought them into being.³⁵

Type II governance

An alternative form of multi-level governance is one in which the number of jurisdictions is vast, rather than limited; in which jurisdictions are not aligned on just a few levels, but operate at numerous territorial scales; in which jurisdictions are task-specific rather than general-purpose; and where jurisdictions are intended to be flexible rather than durable. This conception is predominant among neoclassical political economists and public choice theorists, but it also summarizes the ideas of several scholars of federalism, international relations, and European studies.

Task-specific jurisdictions. In Type II governance, multiple, independent jurisdictions fulfill distinct functions. This leads to a governance system where “each citizen . . . is served not by ‘the’ government, but by a variety of different public service industries. . . . We can then think of the public sector as being composed of many public service industries including the police industry, the fire protection industry, the welfare industry, the health services industry, the transportation industry, and so on.”³⁶ In Switzerland, where Type II governance is quite common at the local level, these jurisdictions are aptly called *Zweckverbände*—goal-oriented/functional associations.³⁷

Intersecting jurisdictions. “There is generally no reason why the smaller jurisdictions should be neatly contained within the borders of the larger ones. On the contrary, borders will be crossed, and jurisdictions will partly overlap. The ‘nested,’ hierarchical structure of the nation-state has no obvious economic rationale and is opposed by economic forces.”³⁸

Frey and Eichenberger coin the acronym FOCJ (functional, overlapping, and competing jurisdictions) for this form of governance.³⁹ “Polycentricity” was initially used to describe metropolitan governance in the United States, which has historically been considerably more fragmented than in Europe. It is now applied by Elinor and Vincent Ostrom as a generic term for the co-existence of “many centers of decision-making that are formally independent of each other.”⁴⁰ Philippe Schmitter

³⁵ For example, since the creation of the German federal state in 1949, students of German federalism have argued that the boundaries of some *Länder* should be redrawn to reflect current policy externalities. So far, *Länder* boundaries have been redrawn only in Berlin.

³⁶ Ostrom and Ostrom 1999, 88-89.

³⁷ Frey and Eichenberger 1999.

³⁸ Casella and Weingast 1995, 13.

³⁹ Frey and Eichenberger 1999.

⁴⁰ Ostrom, Tiebout, Warren 1961, 831. McGinnis defines a political order as polycentric “when there exist many overlapping arenas (or centers) of authority and responsibility. These arenas exist at all scales, from local community groups to national governments to the informal arrangements for governance at the global level. . . . A sharp contrast is drawn against the standard view of sovereignty as connoting a single source of political power and authority that has exclusive responsibility for determining public policy” (McGinnis 1999b, 2).

uses the term *condominio* to describe “dispersed overlapping domains” having “incongruent memberships” that “act autonomously to solve common problems and produce different public goods.”⁴¹

Type II governance has the following key systemic characteristics:

Large number of jurisdictions. Each collective action problem shared by a group of citizens can give rise to a new jurisdiction. So the number of jurisdictions tends to be much larger than under Type I governance.

One area where one finds a multiplicity of Type II jurisdictions is in densely populated frontier regions in North America and Western Europe. Ad-hoc, problem-driven jurisdictions in the form of inter-regional commissions, task forces, and inter-city agencies have mushroomed over the past three decades. In the Upper Rhine Valley, for example, the Swiss cantons of Basel-Land and Basel-Stadt, the French département Haut Rhin, and the German district Basel-Stadt have developed a wide range of trans-national jurisdictions, involving meetings of regional government leaders, a regional council of parliamentary representatives, a conference of city mayors, boards of regional planners, associations of local authorities, agricultural associations, chambers of commerce, cooperation projects among universities, joint research projects on regional climate change and biotechnology, teacher exchange programs, and school partnerships.⁴² Dense cross-border cooperation has also emerged along the Californian/Mexican border and the US/Canadian border.⁴³

Type II governance is also widespread at the local level. We have fairly detailed data on Switzerland, where Frey and Eichenberger identify six types of functional, overlapping, competitive jurisdictions that complement or compete with traditional, multi-task local governments. These communes, of which there are around 5,000, perform specialized tasks, such as providing local schooling, electricity, gas, water, or street lighting. In addition, hundreds of inter-communal associations provide specialized public goods at a larger scale, including for example, hospitals, nursing homes, or garbage collection. According to the authors' calculations, there were 178 such associations in the canton of Zurich alone in 1994.⁴⁴ The closest functional equivalent in the United States consists of the “special districts,” which, as in Switzerland, have intersecting territorial boundaries and perform specific tasks. In 1987, Ostrom, Bish and Ostrom counted just below 30,000 special districts (including 20 interstate districts).⁴⁵ Alongside these special districts

⁴¹ Schmitter 1996, 136.

⁴² Weyand 1996; Perkmann 1999.

⁴³ For a comparison of cross-border cooperation in two West-European and two North-American crossborder regions, see Blatter 2001. Blatter's comparison raises the question whether Type II governance constitutes an institutional equilibrium. He suggests that the answer may be different for Europe and North America. In Europe, dense crossborder arrangements show a tendency to evolve in Type I direction. In contrast, crossborder cooperation in North America has remained task-specific, fluid, territorially overlapping, and dominated by non-governmental actors.

⁴⁴ Frey and Eichenberger 1999, 49-53.

⁴⁵ Students of polycentric governance trace the prevalence of special districts and other forms of polycentric governance in the United States back to the conception of federalism anchored in the US

are thousands of quasi-municipal organizations, such as homeowners associations with authority to undertake limited governmental services on their members' behalf. In 1987, there were between 2,000 and 3,000 of such associations in the Washington D.C. metropolitan area alone. Local Type II arrangements in the United States greatly outnumber the 19,205 municipalities, 3,042 counties and 50 states.⁴⁶

Many jurisdictional levels. Type II governance is organized across a large number of levels. Instead of conceiving authority in neatly defined local, regional, national, and international layers, public choice students argue that each public good or service should be provided by the jurisdiction that effectively internalizes its benefits and costs. The result is jurisdictions at diverse scales—something akin to a marble cake. Students of Type II governance generally speak of multi- or poly-centered governance, which, they feel, have less a ring of hierarchy to them than the terms multi-level or multi-tiered governance.

Some scholars conceive of growing Type II governance in the international arena. A critic of the traditional statist view of governance describes this process as “framgregation”—a neologism suggesting “the simultaneity and interaction of the fragmenting and integrating dynamics that are giving rise to new spheres of authority and transforming the old spheres. It is also a label that suggests the absence of clear-cut distinctions between domestic and foreign affairs, that local problems can become transnational in scope even as global challenges can have repercussions for neighborhoods.”⁴⁷ In this conception, there is no up or under, no lower or higher, no dominant class of actor; rather, a wide range of public and private actors who collaborate and compete in shifting coalitions. The outcome is akin to Escher’s famous lithograph of incongruously descending and ascending steps.

Impermanent jurisdictional system. Type II jurisdictions are intended to respond flexibly to changing citizen preferences and functional requirements. The idea is rooted in Tiebout’s argument that mobility of citizens among multiple competing jurisdictions provides a functional equivalent to market competition.⁴⁸ In a subsequent article, Ostrom, Tiebout, and Warren put the burden of mobility and change on jurisdictions rather than on citizens.⁴⁹ According to Frey, “FOCJ . . . are flexible units which are established when needed . . . [And] FOCJ are discontinued when their services are no longer demanded as more citizens and communities exit and the tax base shrinks ... FOCJ are an institutional way to vary the size of public

constitution (Ostrom 1997; Elazar 1987; Elazar and Kincaid eds. 2000). Analysts of multi-centered governance in Europe find inspiration in pre-modern theories of federalism. The father of societal federalism, Johannes Althusius, formulated his ideas against Jean Bodin’s unitary conception of the state (Hueglin 1999).

⁴⁶ Ostrom, Bish, Ostrom 1988, 3-12. Also Casella and Weingast 1995; Dowding, John, and Biggs 1994; Inman and Rubinfeld 1997.

⁴⁷ Rosenau 1997, 38.

⁴⁸ Tiebout 1956.

⁴⁹ Ostrom, Tiebout, Warren 1961; Ostrom and Ostrom 1999.

jurisdictions in order to minimize spillovers. A change in size is, therefore, a normal occurrence.”⁵⁰

There is no system-wide architecture for Type II governance. The rules that govern the creation and operation of Type II jurisdictions vary widely. When the US federal government approved twenty interstate special districts in 1988, it did so on a case-by-case basis. Each district performs distinct functions.⁵¹ In Switzerland, some local Type II jurisdictions have the power to tax, while others do not, and some governing boards are directly elected, but others not. The territorial boundaries and conditions for membership vary from jurisdiction to jurisdiction.⁵² There is no blueprint for Type II governance. Functional need—not community representation—governs jurisdictional scope and operation.

Task-specificity and impermanence are common features of international regimes. Type II governance is ubiquitous in efforts to internalize transnational spillovers in the absence of authoritative coordination. For example, more than 150 environmental treaties have been agreed among states, half of them since 1970.⁵³ The territorial scale of these regimes varies from global to regional (including patchworks of non-contiguous territories). Most target functionally specific policy problems ranging from aircraft engine emissions, climate change, ozone layer protection, shipment of hazardous waste, to whaling, migratory species, tropical timber, etc.

A recent count of international governmental organizations shows steep growth over the past 50 years, from 70 in 1940 to more than one thousand in the 1980s. However, of 1,063 organizations existing in 1981, only 723 survived a decade later, while an additional 400 or so came into being.⁵⁴ This fluidity stands in stark contrast to Type I jurisdictions. A study of American federal bureaucracies found that two-thirds of federal agencies in existence in 1923 were still active fifty years later. The mortality rate for Type I domestic bureaucracies is estimated to be five times lower than for international governmental organizations.⁵⁵

The European Union combines Type I and Type II characteristics. The basic structure is one in which authority is dispersed among a limited number of multi-functional, non-intersecting, jurisdictions from the local to the supranational levels.⁵⁶

⁵⁰ Frey and Eichenberger 1999, 18 and 41.

⁵¹ Ostrom, Bish, Ostrom 1988, 9.

⁵² Frey and Eichenberger 1999.

⁵³ Clark 2000.

⁵⁴ Shanks, Jacobson, Kaplan 1996, 143.

⁵⁵ Kaufman 1976, cited in Shanks, Jacobson, and Kaplan 1996, 143. There are also a very large number of issue-specific transnational governance arrangements. Some jurisdictions, such as the World Business Council for Sustainable Development, authorize self-regulation among firms (Clark 2000). The two most influential global industrial standardization bodies, the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), do not permit states as members; they depend on voluntary contributions by firms, industries and professions (Loya and Boli 1999, 193). Much transnational governance is primarily nongovernmental.

⁵⁶ Bache 1998; Bomberg and Peterson 1998; Börzel 2001; Jeffery 1996; Keating 1998; Kohler-Koch 1998;

European integration has built on existing national states, and their Type I structures are incorporated in the EU.⁵⁷ The EU bundles together policy transnational competencies that in other parts of the world are handled by numerous, overlapping, and functionally specific jurisdictions. Most EU policies, with the major exceptions of monetary policy and border controls, have a single unified jurisdiction.

However, some salient features of EU architecture are consistent with Type II governance: variable territorial jurisdictions as a result of treaty derogations; distinct governance systems or “pillars” for different policies; the multiplication of independent European agencies; and the flexibility clause of the Amsterdam and Nice Treaties specifying the conditions under which a subset of member states can engage in greater integration. As Richard Balme and Didier Chabanet point out, “the competencies of the European Union in different sectors (environment, agriculture, competition ...) are very different . . . Even in the same policy area the decision rules are variable and ad hoc.”⁵⁸ Philippe Schmitter regards these characteristics as defining features of the European polity: “The core of the emerging Euro-polity’s novelty lies in the growing dissociation between territorial constituencies and functional competencies.”⁵⁹

The Coordination Dilemma

The chief benefit of multi-level governance lies in its scale flexibility. Its chief cost lies in the transaction costs of coordinating multiple jurisdictions. There are, in principle, two strategies for constraining such costs. The first is to limit the number of decision levels and the number of jurisdictions at each level while preserving the benefits of scale flexibility. This is the logic of Type I governance. The second is to limit interdependence among jurisdictions by carving out numerous functionally discrete policy areas. This is the logic of Type II governance.

The coordination dilemma confronting multi-level governance can be simply stated: To the extent that policies of one jurisdiction have spillovers (i.e. negative or positive externalities) for other jurisdictions, so coordination is necessary to avoid socially perverse outcomes. We conceive this as a *second-order* coordination problem because it involves coordination among institutions whose primary function is to coordinate human activity.

Second-order coordination costs increase exponentially as the number of relevant jurisdictions increases. Fritz Scharpf has probed the conditions of interjurisdictional coordination, and it seems to us fitting to describe this basic dilemma as Scharpf’s law: “As the number of affected parties increases . . .

Marks, Hooghe, Blank 1996; Sbragia 1993; Scharpf 1988, 1994.

⁵⁷ National states, according to Alberta Sbragia, “will continue to be central actors” because “the territorial claims that national governments represent . . . are exceedingly strong.” (Sbragia 1992, 289).

⁵⁸ Balme and Chabanet 2002, 44.

⁵⁹ Schmitter 2000, 15.

negotiated solutions incur exponentially rising and eventually prohibitive transaction costs.”⁶⁰

The simplest way to understand this is to think through the impact of increasing numbers of players in an iterated prisoners’ dilemma. A two-player game provides certainty of repeated interaction, and this permits strategies based on tit for tat to effectively punish defection.⁶¹ As the number of actors rises beyond two, it becomes harder to punish defectors. Free riding is the dominant strategy in the absence of a leviathan or of countervailing norms that can induce a sufficiently large proportion of actors to monitor and punish defection. This is, in a nutshell, the coordination dilemma of multi-level governance.

How can multi-level governance deal with the coordination dilemma? One strategy is to *limit the number of autonomous actors* who have to be coordinated by limiting the number of autonomous jurisdictions. The second is to *limit interaction among actors* by splicing competencies into functionally distinct units.

The first strategy underpins Type I governance. Type I governance describes a limited number of multi-task, general-purpose jurisdictions with non-intersecting borders. By bundling competencies together, Type I governance gains the benefits of varying territorial scale while minimizing the number of jurisdictions that have to be coordinated. Type I governance is bundled multi-level governance.

Type I governance constrains the number of jurisdictions according to the following design principles:

- **Non-intersecting jurisdictions.** Jurisdictions at the same territorial level do not overlap. Non-intersecting jurisdictions limit the need for jurisdictional cooperation horizontally at any level and vertically, across levels.
- **Cascading jurisdictional scale.** The territorial scale of jurisdiction multiplies across levels. Table 3 details Type I jurisdictions in the European Union. The median population represented in the first level, i.e. NUTS 1 jurisdictions, is just under four million; that in second level, NUTS 2 jurisdictions, is 1.42 million; NUTS 3 jurisdictions have a median population of 369,000; the median population in NUTS 4 is 48,000, and at the lowest level, NUTS 5, it is 5,100. Cascading jurisdictional scale spreads governance across vastly different scales, but limits the total number of subnational levels to four or, at the most, five tiers for the larger EU countries.⁶²
- **General-purpose jurisdictions.** A logical corollary is that authoritative competencies are bundled into a small number of extensive packages at each

⁶⁰ Scharpf 1997, 70.

⁶¹ The classic “tit-for-tat” makes minimal demands on memory, and is therefore the simplest strategy within an extensive family of more demanding strategies that can punish defection under less restrictive assumptions about incomplete information. (See Lindgren 1991 for an intriguing, but rarely cited, simulation of this.)

⁶² The NUTS classification “favours regional units of a general character. ... NUTS excludes specific territorial units and local units in favour of regional units of a general nature” (Eurostat 1999, 27), i.e. the classification is explicitly biased in favor of general-purpose jurisdictions.

level. Type I governance disperses authority across widely different levels, and constrains the number of levels by making the jurisdictions at each level multi-purpose.

- **System-wide architecture.** The pyramidal structure of Type I governance lends itself to hierarchical direction.⁶³ Most Type I governance systems are bound together by a single court system with ultimate authority to adjudicate among contending jurisdictions.⁶⁴

[Table 3 about here]

The alternative approach is to limit coordination costs by constraining interaction across jurisdictions. Type II governance sets no ceiling on the number of jurisdictions, but spawns new ones along functionally differentiated lines. As a result, externalities across jurisdictions are minimized. This is an exact corollary to Herbert Simon's notion of "nearly decomposable" structures.⁶⁵ Simon argues that tasks within an organization should be distributed so that the share of internal interactions within constituent units is maximized and the share of external interactions minimized. The idea, applied to jurisdictional design, is to distribute tasks so that the short-run behavior of actors across different jurisdictions is more or less independent from that of others, while their long-run behavior is connected only in the aggregate.

How can decomposability be attained in policy provision? How, in other words, can one break up policy making into discrete pieces with minimal external spillover? The following design principles characterize Type II governance:

- **Functional specificity.** Specific, functionally distinct competencies are hived off, and insulated. In this way, externalities—and therefore interdependence—among jurisdictions are minimized.
- **Ad hoc, policy-specific, architecture.** Type II governance is designed with respect to particular policy problems—not particular communities or constituencies. Institutional design—the scope of the jurisdiction, its mode of decision making, adjudication, and implementation—can thus be adapted to particular policy problems.

The gist of this line of thinking is that Type I and Type II governance are good at different things, and co-exist because they are complementary. The result is a large number of relatively self-contained, functionally differentiated Type II jurisdictions alongside a smaller number of general-purpose, nested Type I jurisdictions.

⁶³ For a comparison of uniform, intergovernmental coordination in federal Germany and differentiated, loosely coupled coordination in the European Union, see Arthur Benz 2000. Others discern different modes of coordination within the European Union (Scharpf 2000; Wallace 2000).

⁶⁴ Joseph Weiler argues that even federal systems have a strong measure of hierarchy: "Federal state constitutions create, always, a vertical hierarchy of a triple nature: a hierarchy of norms which, in turn, is rooted in a vertical hierarchy of normative authority which, in turn, is situated in a hierarchy of real power" (Weiler 2000, 2).

⁶⁵ Simon 1996, 178.

Biases of Governance

The types of governance that we outline in this article frame basic political choices. Type I and Type II governance are not merely different ways of doing the same thing. Their contrasting institutional arrangements give rise to contrasting virtues and vices. We label these in Table 4, and describe them below.

[Table 4 about here]

Biases of Type I governance

- **Intrinsic community.** Type I jurisdictions express citizens' identities with a particular community. Intrinsic communities represented in Type I jurisdictions are often based in national, regional, and/or local identity, but they may also reflect religion, tribe, or ethnicity. Such jurisdictions have the virtue of communal self-government, a good that is independent of citizens' preference for efficiency or for any particular policy output.
- **Voice.** Type I governance is biased towards voice, i.e. political deliberation in conventional liberal democratic institutions. Type I jurisdictions are determined in a deliberative multi-issue process in which conflicts are highly structured and articulated. Rules about rules (*Kompetenz-Kompetenz*) are decided consciously, collectively, and comprehensively. Conversely, barriers to exit are relatively high. Exit in a Type I world usually means moving from one locality, region, or country to another. Where jurisdictions are designed around religion or group membership, exit demands that one change one's identity.
- **Conflict articulation.** Bundling issues in a limited number of jurisdictions facilitates party competition and the articulation of dimensions that structure political contestation, first and foremost a left/right dimension tapping greater vs. lesser government regulation of market outcomes and, in many communities, a new politics dimension tapping communal, environmental, and cultural issues. This promotes meaningful choice for citizens. Type I governance is well suited to deal with zero-sum issues, i.e. distributional bargaining, because it facilitates logrolling and cross-issue trading. And because barriers to exit are high, it is also well suited to provide non-excludable public goods.

Biases of Type II governance

- **Extrinsic community.** Type II jurisdictions are instrumental arrangements. They solve *ad hoc* coordination problems among individuals sharing the same geographical or functional space. Individuals relate to jurisdictions as members of fluid, intersecting communities—e.g. as professionals, women, parents, homeowners, nature lovers, sports fans, shoppers, and so forth.

- **Exit.** Type II governance is biased towards exit. Voluntary membership allows citizens, or the collective units of which they are members, to exit jurisdictions when these no longer serve their needs. To the extent that they facilitate entry and exit, Type II jurisdictions approximate markets. Jurisdictions may be created, deleted, or adjusted through interjurisdictional competition for citizens' participation or dues. Constitutional engineering is, therefore, a spontaneous process rather than a collective enterprise. Voice is secondary. The narrow focus of Type II jurisdictions concentrates the costs of liberal democratic institutions within small constituencies. Deliberation is focused on the production of a particular public good rather than on broader value choices.⁶⁶
- **Conflict avoidance.** By decomposing decision making into jurisdictions with limited externalities, Type II governance insulates decision making from other, potentially contradictory, issues. This jurisdictional fragmentation raises the bar for articulating ideological conflict, but it concentrates the mind on improving efficiency within existing jurisdictional bounds. Type II jurisdictions are well suited for decisions characterized by a search for pareto-optimality.

Type I and Type II governance are not ethically equivalent. They embody contrasting visions of collective decision making. Type I jurisdictions are suited to political deliberation about basic value choices in a society: who gets what, when, and how. Because Type I governance bundles decision making in a limited number of jurisdictions at a few levels, it reaps economies of scale in translating citizen preferences into policy. Type I jurisdictions are at the heart of democratic elections, party systems, legislatures and executives. Type I jurisdictions sustain a political class of professional politicians who mediate citizen preferences into law.

Type II jurisdictions, in contrast, emphasize problem solving. How can citizens obtain public goods that they are unable to create individually? What are the most efficient means to public ends? How can market efficiency, based on consumer choice and competition among producers, be translated into the provision of public goods? The assumption underlying Type II jurisdictions is that externalities among jurisdictions are sufficiently limited to sustain compartmentalized decision making.

Conclusion

Political science has had far more to say about *how* collective decisions can and should be made than about *for whom* they can and should be made. In Western democracies, however, the balance has been shifting in recent years. The question of how collective decisions should be made has narrowed as liberal democracy gained exclusive legitimacy in western societies. Debate centers on the merits of alternative democratic designs. At the same time, questions of jurisdictional design have opened up as the centralization of authority in states has lost legitimacy. Opportunities for

⁶⁶ In *Governing the Commons* Elinor Ostrom describes several common pool resource arrangements with deliberative-democratic decision making. As Ostrom observes, such jurisdictions tend to become magnets for solving a wide range of community problems. Once such institutions are in place, it may be more efficient to add governance functions to an existing jurisdiction than to create a new one.

purposeful jurisdictional design have expanded as decision making in Europe and beyond has shifted from central states to the supranational and subnational levels.

Who should be included in a jurisdiction, and what should it coordinate? What criteria are relevant to these choices, and what are the implications of different criteria?

In this paper we clarify these questions and possible answers to them by marshalling the collective wisdom of political scientists working in several fields: neoclassical political economy, institutional policy analysis, federalism, international regimes, and EU studies. One of our goals is to bring into contact disparate literatures that bear on the same topic. We draw upon these literatures to illuminate two broadly applicable and logically consistent types of governance that we describe as Type I and Type II.

These types of governance share one vital feature: they are sharp departures from the centralized state. However, they diffuse authority in contrasting ways. One bundles competencies in non-intersecting jurisdictions, each catering to a particular group or territorial community. This results in a limited number of jurisdictions, and thereby reduces the transaction costs of interjurisdictional coordination. An alternative strategy is to disperse competencies among a very large number of functionally specialized, intersecting jurisdictions. To the extent that the policies pursued by these jurisdictions are self-contained, so coordination among those jurisdictions is simplified.

These contrasting types of governance have distinctive virtues. They express different conceptions of community. Type I governance, composed of durable, general-purpose, non-intersecting jurisdictions, provides self-governance for intrinsic communities. It allows for the articulation and resolution of conflict including on redistributive issues that can tear polities apart. Task-specific, intersecting, and impermanent Type II jurisdictions, on other hand, are more appropriate for extrinsic (i.e. flexible, fluid) communities and for achieving pareto-optimality on positive-sum issues.

While one could imagine worlds in which governance is organized according to one or the other principle, our hunch is that such worlds would be impoverished, not least because governance, that is, coordination of human activity, would be underprovided. The question then becomes how these two types should, and do, co-exist. We have only touched the surface of this issue, but if we have clarified some underlying choices facing political architects, we will have achieved our main goal.

Table 1: Against Unitary Government – Concepts

European Union studies: multi-tiered, multi-level governance; network governance; consortio and condominio

International Relations: multi-lateral cooperation; global governance; fragnegration; multi-perspectival governance

Federalism: multiple jurisdictions; multi-level government or governance; multi-centered governance; matrix of authority

Institutional Policy Analysis: multi-level governance; multiple jurisdictions; polycentric governance

Political Economy: overlapping jurisdictions; competing jurisdictions; FOCJ

Table 2: Types of Multi-Level Governance

TYPE I	TYPE II
<i>general-purpose</i> jurisdictions <i>non-intersecting</i> jurisdictions at any particular level <i>limited</i> number of jurisdictions jurisdictions organized in a <i>limited number of levels</i> <i>system-wide</i> architecture	<i>task-specific</i> jurisdictions <i>intersecting</i> jurisdictions at all levels <i>unlimited</i> number of jurisdictions <i>no limit</i> to the number of jurisdictional levels <i>ad-hoc</i> jurisdictions

Table 3: Regional Divisions in the European Union

	NUTS 1	#	NUTS 2	#	NUTS 3	#	NUTS 4	#	NUTS 5	#
Austria	<i>Gruppen von Bundesländern</i>	3	<i>Bundesländer</i>	9	<i>Gruppen von Politischen Bezirken</i>	35	—		<i>Gemeinden</i>	2,351
Belgium	<i>Regio's/ Régions</i>	3	<i>Provincies/ Provinces</i>	11	<i>Arrondissementen/ Arrondissements</i>	43	—		<i>Gemeenten/ Communes</i>	589
Denmark	—	1	—	1	<i>Amter</i>	15	—		<i>Kommuner</i>	276
Finland	<i>Manner-Suomi/ Åland</i>	2	<i>Suuralueet</i>	6	<i>Maakunnat</i>	20	<i>Seutukunnat</i>	85	<i>Kunnat</i>	455
France	<i>ZEAT + DOM</i>	9	<i>Régions + DOM</i>	26	<i>Départements + DOM</i>	100	—		<i>Communes</i>	36,664
Germany	<i>Länder</i>	16	<i>Regierungsbezirke</i>	40	<i>Kreise</i>	441	—		<i>Gemeinden</i>	16,176
Greece	<i>Groups of development regions</i>	4	<i>Development regions</i>	13	<i>Nomoi</i>	51	<i>Eparchies</i>	150	<i>Demoi/ Koinotites</i>	5921
Ireland	—	1	<i>Regions</i>	2	<i>Regional authority regions</i>	8	<i>Counties/ County boroughs</i>	34	<i>DEDs/ Wards</i>	3,445
Italy	<i>Gruppi di regioni</i>	11	<i>Regioni</i>	20	<i>Provincia</i>	103	—		<i>Comuni</i>	8,100
Luxembourg	—	1	—	1	—	1	<i>Cantons</i>	12	<i>Communes</i>	118
Netherlands	<i>Landsdelen</i>	4	<i>Provincies</i>	12	<i>COROP-regio's</i>	40	—		<i>Gemeenten</i>	672
Portugal	<i>Continente+ Regioes autonomas</i>	3	<i>Commissaoes de coordenação regional + Regioes autonomas</i>	7	<i>Grupos de Concelhos</i>	30	<i>Concelhos-minicipios</i>	305	<i>Freguesias</i>	4208
Spain	<i>Agrupacion de comunidades autonomas</i>	7	<i>Comunidades autonomas + Ceuta y Melilla</i>	18	<i>Provincias + Ceuta + Melilla</i>	52	—		<i>Municipios</i>	8,077
Sweden	—	1	<i>Riksområden</i>	8	<i>Län</i>	21	—		<i>Kommuner</i>	286
United Kingdom	<i>Regions¹</i>	12	<i>Counties; groups of unitary authorities²</i>	37	<i>Groups of unitary authorities; districts³</i>	133	<i>Districts; unitary authorities⁴</i>	443	<i>Wards</i>	11,206
Total jurisdictions		78		211		1,093				98,544
Median population		3,883,000		1,418,000		369,500		48,400		5,100

Note: NUTS refers to *Nomenclature des unités territoriales statistiques*. Source: Eurostat, 1999.

¹Government office regions in England; Wales, Scotland and Northern Ireland are separate regions. ²England is divided in counties, plus inner and outer London; Wales and Scotland are divided in groups of unitary authorities; Northern Ireland is a single NUTS 2 unit. ³NUTS 3 units in England consist of unitary authorities or districts, of groups of unitary authorities in Wales and Scotland, and groups of districts in Northern Ireland. ⁴Districts in England and Northern Ireland, and unitary authorities in Wales and Scotland.

Table 4: Biases of Type I and Type II Governance

Type I	Type II
intrinsic community voice conflict articulation	extrinsic community exit conflict avoidance

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