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The Adoption and Abandonment of Council-Manager Government

Editor's note: The International City/County Management Association (ICMA) celebrates the 100th anniversary of its founding in 2014. This article is the second in a series that will appear during the next year about the council-manager plan to commemorate ICMA's 100th anniversary.

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What accounts for patterns of city adoption and abandonment of council-manager government? Despite dozens of empirical studies, we lack a systematic understanding of these forces over time because previous work has relied on cross-sectional designs or analysis of change over short periods. This article begins to fill this lacuna by constructing a historical data set spanning 75 years for the 191 largest cities with either mayor-council or council-manager governments in 1930. Event history analysis is applied to isolate adoption and abandonment trends and to provide new evidence revealing the forces that have shaped the trajectory of institutional change in U.S. cities. This analysis reveals that social context factors—in particular, economic conditions—generate both adoptions and abandonments.

Institutional theories have become increasingly important in our understanding of the design and structure of local governments (Carr and Karuppusamy 2009; Feiock and Kim 2001; Frederickson, Johnson, and Wood 2004). Although much of the literature focuses on contemporary changes in government structure, local institutions have been a central concern in the study of public administration since the founding of the field. New institutional theories of changes in government structure that combine social and political explanations in a historical approach can provide a more complete understanding of the evolution of municipal government in the United States and inform continuing debates about local government structure.

The form of city government—typically council-manager or mayor-council in the United States—represents the

fundamental choice of governing structure by citizens of the local polity; however, the recent literature on local institutions, particularly the work of H. George Frederickson and his colleagues, portrays this distinction as less salient today because cities with either form can adjust a wide range of charter provisions and electoral practices to create adapted or hybrid forms (Frederickson and Johnson 2001; Frederickson, Johnson, and Wood 2004). Nelson and Svara (2010) argue that this confuses forms with models. Changes in electoral practices and other charter provisions can be important, but they do not alter the underlying form of government itself. Hassett and Watson describe this as a distinction between “minor changes, such as the switch from at-large to district elections, and profound change to the basic structure of city governance” (2007, 1).

Form of government is the constitutional and legal basis for assigning authority in local governments that creates the overall governance framework (Svara and Watson 2010). Over the last century, American cities evolved from predominantly mayor-council form of government to majority council-manager form of government (Gordon 1968; Kessel 1962; Knoke 1982). Studies of the diffusion and evolution of council-manager government generally support the notion that there was a diffusion of the council-manager plan among American cities in which those cities with mayor-council or commission government shifted to the council-manager form until the 1960s, when the form of government appeared to stabilize (Hirschman 1982; Kaufman 1963). Thus, conventional wisdom describes the early twentieth century through the 1950s as characterized by a general movement or shift from mayor-council to council-manager government, with abandonments of the council-manager form less notable or common (Adrian 1987; Schiesl 1977).

In 1913, the city of Dayton, Ohio, became the first city with a population over 30,000 to establish a council-manager government, instantly legitimizing

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Figure 1 75-Year Trend in Form of Government in 191 Cities with Populations over 30,000 in 1930

this innovation. The *Municipal Year Book* reports that by 1958, the majority of U.S. cities had council-manager governments. The balance between council-manager and mayor-council government is thought to have remained relatively stable through the 1980s (Adrian 1987) and beyond. We challenge this conventional wisdom that there was of a general movement toward council-manager government followed by a stable balance of cities with mayor-council and council-manager form of government in the recent era. The analysis that follows demonstrates that in the first half of the twentieth century, there was not a uniform or even dominant trend toward adoption of council-manager government—changes regularly occurred in both directions (Bromage 1940; Protasel 1988). Moreover, the last four decades have seen more than just tinkering with municipal charters; substantial changes in the formal legal structure that defines forms of government are evident (Carr and Karuppusamy 2009; Feiock and Kim 2001; Weible et al. 2013). Figure 1 reports historical trends in the number of cities with either council-manager or mayor-council governments from 1930 to 2010.

The new institutionalism literature in history, sociology, and political science guides this inquiry. We argue that until the 1960s, institutional change often resulted from purposeful efforts to alter structures in ways to promote the preferences of specific groups or interests in the community. Since then, institutional change in local government is seen more as a symbolic response to crises, changes in economic and social conditions, or specific policy problems (Svara and Watson 2010). Understanding the nature of institutional change in American cities requires analysis of the processes that motivate local actors to pursue either adoption or abandonment of council-manager government.

We argue that until the 1960s, institutional change often resulted from purposeful efforts to alter structures in ways to promote the preferences of specific groups or interests in the community.

What factors drove adoptions or abandonments of council-manager government in large cities? While accounts of the structural reform of local governments in the United States are abundant, they capture only a small part of the history of council-manager government and do not adequately answer the question. Patterns of change and the forces that have produced structural realignment are still not well understood, in part, because many studies of form of government rely on cross-sectional data and analysis (Carr and Karuppusamy 2009; Kessel 1962; Lineberry and Fowler 1967; Wilson and Banfield 1964; Wolfinger and Field 1966) or focus on change over short periods, usually only a few decades (Gordon 1968; Knoke 1982; Ruhil 2003; Sherbenou 1961).

This research overcomes these limitations by constructing and analyzing a cross-sectional time-series data set extending over a 75-year period beginning in 1930 for the 191 largest American cities with home rule power and either mayor-council or council-manager government in 1930. Event history analysis techniques are used to isolate both adoption and abandonment trends.¹ These analyses provide new evidence revealing the forces that have shaped the trajectory of institutional change in large cities over time.

Municipal Reform and Council-Manager Government

The concept of “reform” is based on the ideas of political Progressivism that flourished in the late nineteenth and early twentieth centuries. Progressive reformers proclaimed their new structure of municipal government as more moral, rational, efficient, and self-evidently more desirable (Hays 1964, 1974). By the 1920s, a council-manager form was seen as a prerequisite for innovative and socially conscious government.

Until the twentieth century, the mayor-council form of government predominated in U.S. cities (Knoke 1982). Mayor-council government seldom concentrated power administratively; thus, control was exercised through the political boss system, often at the price of political corruption and incompetence. While the mayor-council system is no longer dominant, it is still in place in a substantial minority of cities. A 2005 International City/County Management Association (ICMA) survey reported that 31.9 percent of American cities had a mayor-council or strong-mayor legal platform as their legally defined form of government.

Progressive reformers fought the established political machine by emulating the organization structure and methods of private business, first championing the commission form and then the council-manager form of government. Although the city council of Staunton,

Virginia, hired a professional manager five years earlier, it was 100 years ago, in 1913, that Dayton, Ohio, became the first city of substantial size to establish a council-manager government. Other cities soon followed suit. In 1919, the National Municipal League provided its imprimatur by making the council-manager structure part of its model city charter (Griffith 1974; Rice 1977; Schiesl 1977; Stillman 1974). The league’s charter has been revised several times since then, but

the council-manager concept has remained its central ingredient (Nelson and Svara 2010; Svara 1999). Although council-manager

government can be combined with a range of structural features, the council-manager form itself is defined by allocation of all government authority to an elected city council and assignment of executive responsibilities to a professional administrator who is responsible to the entire council (Svara and Nelson 2008).

The council-manager form was presumed to be more businesslike and less politicized than the mayor-council form in the sense that the council-manager form implies agreement on the major goals of city government among the dominant social groups (Schiesl 1977; Stillman 1974). In this context, “politicized” suggests that certain forms of government encourage representation of interests. “Businesslike” suggests that certain forms encourage efficient implementation of specified goals. However, the assumptions relating to municipal reform have proven tenuous in practice (Clinger-mayer and Feiock 2001). Responsiveness to certain constituencies, not just efficiency, was a central objective of early local government reform (Knott and Miller 1987). Managers and commissioners may seek to maintain their government position and pursue career advancement opportunities, even if these incentives are not as strong as in mayor-council government (Zhang and Feiock 2010). Historical accounts and textbooks on the history of U.S. cities often portray the first half of the twentieth century as characterized by a uniform shift from mayor-council government to the council-manager form (Adrian 1977, 1987; Schiesl 1977).

Institutional Explanations for Change in Form of Government

The forces that are purported to stimulate restructuring of local government forms have been discussed at length in the literature (Alford and Scoble 1965; Dye and MacManus 1976; Gordon 1968; Kessel 1962; Knoke 1982; Lyons 1978; Oliver 1992; Scott 2001; Tolbert and Zucker 1983). Rather than reviewing this body of work, we note only the main lines of argument, concentrating on those that have a direct bearing on the institutional dynamics that we study. In doing so, we focus on and direct our efforts toward identifying primary sources or drivers of change in the form of local government. Two general explanations for institutional change in form of government are derived from the literature focused on the political preferences of participants and on the sociological context of communities. We explore these explanations by probing whether there was a systematic relationship between contextual forces and institutional change in city government structure. We then identify how these influences may have changed over time and the extent to which the determinants of adoption and abandonment were similar or dissimilar.

Political Demand/Policy Preference Explanations

The standard explanations for change in form of municipal government in the United States relate to conflicting values and policy preferences of groups and special interests that are advantaged under one form or the other (Banfield and Wilson 1963; Hirschman 1982; Kaufman 1963; Moe 1984). For instance, Burns (1994) reveals that the underlying logic of municipal incorporation and creation of districts is based on actors supporting institutions that will assist them in pursuing their private policy interests.

Explanations emphasizing private or selective benefits are manifested in class conflict approaches to the study of municipal structural reform, stressing upper, middle, and low socioeconomic status groups’ struggle for local political domination. From this perspective, institutional change may be influenced by social pressures associated with differentiation of groups and by the existence of heterogeneous, divergent, or discordant beliefs and practices (Oliver 1992; Scott 2001).

Beginning with Lineberry and Fowler (1967), cross-sectional studies linked council-manager government with small- and medium-population cities with fewer social cleavages. Community heterogeneity and the interests of specific population groups were linked to private values favoring specific types of institutional change. Social heterogeneity—the existence of sizable groups with diverse political cultures and demands—were associated with mayor-council form because agreement among politically active groups on goals and service priorities often entails bargaining and political conflict resolution. From this reasoning, population heterogeneity leads to divergent preferences that demand representation (Stein 1990; Weisbrod 1988). This, in turn, creates pressure for institutional change (Clinger-mayer and Feiock 2001). Consistent with this explanation, the American municipal reform movement sought to wrest interest power from the hands of working-class and minority groups (Banfield and Wilson 1963; Knott and Miller 1987). These groups resisted government reform efforts such as council-manager government, based on the expectation that minority interests would

be systematically disadvantaged. Racial diversity, particularly the size of African American populations, has proven to be the most polarizing of these social cleavages in U.S. cities (Kraus 2004; Stein 1990). Therefore, we predict that the presence of a large minority population in cities stimulated change in favor of mayor-council over council-manager form of government.

Where home owners are the primary political constituency, values more congruent with the council-manager form are institutionalized in local government (Burns 1994). Fischel (2001) argues that government reform is often championed by local home owners, whose individual economic interests are linked to citywide service performance and property values. This is supported by hedonic models linking population diversity and political institutions to property values (Doerner and Ihlanfeldt 2011). Fischel’s thesis that reform is driven by home owners is also consistent with Lineberry and Fowler’s (1967) evidence that home ownership, along with smaller population, is correlated with reform institutions. Thus, home ownership and low population density can be seen as producing a homogeneous interest in protecting property values through council-manager government (Fischel 2001).

A related set of explanations is grounded in the idea that ideological conflict underlies institutional change. It is presumed that reformed local government structures are championed by pro-business conservatives and Republicans (Knott and Miller 1987). What the reformers sought was to organize municipal services in accordance with the business community’s view of efficient organization and management for the community. Hays (1964) portrays the

council-manager movement as dominated by upper-class, advanced professional, and middle-class elements.

Hypothesis 1-1: Small population size is expected to increase the likelihood of adopting council-manager government and reduce the likelihood of abandoning it.

Hypothesis 1-2: Racial homogeneity is expected to increase the likelihood of adopting council-manager government and reduce the likelihood of abandoning it.

Hypothesis 1-3: Home ownership is expected to increase the likelihood of adopting council-manager government and reduce the likelihood of abandoning it.

Hypothesis 1-4: Republican political ideology is expected to increase the likelihood of adopting council-manager government and reduce the likelihood of abandoning it.

There are several reasons to expect that the influence of political preferences on the choice of government form has diminished over recent decades. By 1960, intellectual attacks on the reform orthodoxy had undercut some of the rationalizations for council-manager government that were central to the ability of reform advocates to win support (Knott and Miller 1987). Furthermore, the rise of the civil rights movement and the empowerment of groups that are sometimes disadvantaged under council-manager government make arguments based on policy efficiency alone less salient. Finally, modifications of the charter in other ways may have reduced the political motivation for changing the form of government (Carr and Feiock 2004).

Hypothesis 2: The role of policy preferences in influencing institutional change declined and became less significant in the post-1965 period.

Social Context Explanations

Contextual forces, especially economic hardships, provide strong arguments for institutional change (Feiock, Carr, and Johnson 2006; Knight 2006). These efforts do not imply that change is directly linked to improvements in governance or promotion of the preferences of specific groups. Rather, sociological theory suggests that change is adapted institutionally to conform to expectations generated from the social and economic environment in which local government is embedded (DiMaggio and Powell 1983; Frederickson, Johnson, and Wood 2004). While structural adaptation of governments provides a long-term equilibrium of forms, social and economic crises and changing demands create a short-term changes or punctuations (North 1991).

Most work on institutional change focuses on a variant of the general sociological context, which assumes that the forms of local governments are adapted as symbolic systems in response to the social and economic environment. Institutions arise, organize, and persist to the extent that they help societies or individuals adapt in a rapidly changing competitive world (March and Olsen 1989; Pfeffer

and Salancik 1978; Scott 2001; Weick 1969). Institutions of the same type diffuse in similar ways because they are exposed to similar external expectations and constraints (Powell and DiMaggio 1991).

Demand for changes in forms of local government may occur in response to economic or environmental concerns of crises that compel local politicians and citizens to question the legitimacy of existing institutional arrangements.

Environmental change affecting the community also stimulates institutional change because changes in social and environmental contexts shift the underlying power distributions supporting and legitimating existing forms of local government. In other words, demand for changes in forms of local government may occur in response to economic or environmental concerns of crises that compel local politicians and citizens to question the legitimacy of existing institutional arrangements. Economic conditions and changes in

the economic climate of a community may lead to changes in social expectations, which generate demand for institutional change in government. In the United States, the factors of this sort were a series of socioeconomic conditions linked to economic development or “modernization,” including unemployment rates, shifts in the manufacturing sector, rapid population growth, and revenue fluctuations.

In the study of comparative politics, economic crises are typically the primary driver of institutional changes in governing structures. O’Donnell (1973), for example, argues that the breakdown of democratic regimes in Brazil and Argentina in the mid-1960s was triggered by stagnating economic conditions and fiscal crises. Linz (1978) argues that the collapse of democratic regimes happens when incumbent governments are unable to solve critical problems, leading to legitimacy crises in political systems. Similarly, at the local level, Clark’s (1968) analysis of survey data on the 51 U.S. cities reported in the National Opinion Research Center’s Permanent Community Sample concluded that high poverty levels were strongly related to changes in local government structure.

The industrial base of a community is also salient. Reduction in the scope of the manufacturing sector can signal devastating circumstances for a local industrial economy. This is reflected in Kessel’s (1962) argument about the relationship between the economic base and form of government. The mayor-council structure has been the most common in form of government in manufacturing cities. Kessel (1962) argues that three factors account for this pattern. First, large businesses in manufacturing cities are likely to be concerned with national rather than local markets; therefore, local government organization is less important to business leaders. Second, manufacturing cities are likely to have absentee-owned industry with managers who do not have close ties to the community and local government. Third, industrial laborers are more likely to suffer the same kinds of limitations as minority groups.

Another salient economic force is the short-term fiscal health of a city’s government. Fiscal health refers to the degree to which a city government’s revenues keep pace with its spending commitments and priorities. Hansen (1983) argues that budget shortfalls produce political risk that motivates politicians to shift blame to their constitutional institutions. Regardless of what the existing structure is, sharp declines in fiscal health may produce calls for change in the form of government.

The socioeconomic issues just described might lead to either adoption or abandonment of council-manager government. Some scholars argue that economic crises are linked to adoption of council-manager government based on its institutionalization of efficiency and professionalism norms (Hays 1964; Rice 1977; Schiesl 1977; Stillman 1974). Others, most notably, Gordon (1968) and Knoke (1982), argue that economic crises undermine the drive to reform institutions.

Historical theories of institutions integrate these perspectives by arguing that changes in the social and economic environment increase the likelihood of institutional change because fiscal and economic crises facilitate opponent's efforts to deinstitutionalize and delegitimize current government regardless of form (March and Olsen 1989). By implication, social change and economic crises occurring under either council-manager or mayor-council form of government can undermine the legitimacy of existing forms and trigger change from mayor-council to council-manager or vice versa.

Hypothesis 3-1: Change in unemployment is expected to increase the likelihood of adopting council-manager government *and* the likelihood of abandoning it.

Hypothesis 3-2: Change in manufacturing is expected to increase the likelihood of adopting council-manager government *and* the likelihood of abandoning it.

Hypothesis 3-3: Change in population growth is expected to increase the likelihood of adopting council-manager government *and* the likelihood of abandoning it.

Hypothesis 3-4: Change in governmental fiscal health is expected to increase the likelihood of adopting council-manager government *and* the likelihood of abandoning it.

Methodology

Measurement and Sample

In constructing the data set, we build from the work of Gordon (1968) and Knoke (1982). This allows us to investigate factors influencing long-term trends. The event history model best fits the duration of one form of government before transition to another (Box-Steffensmeier and Jones 1997). We separately examine two institutional changes: adoptions and abandonments of council-manager form of government. Adoption of council-manager form is defined here as institutional changes from mayor-council to council-manager government. Institutional changes from council-manager to mayor-council form of government are defined as abandonments of council-manager form.

Given the dichotomous nature of the dependent variables, we estimate logit models of the event history to test the hypotheses. The units of analysis are observations at five-year intervals of the 191 American cities with more than 30,000 residents in 1930 with either council-manager or mayor-council government. Thus, we examine the 191 largest cities and their institutional evolution over time. In this model, the latent variable $Change^*$ measures the underlying propensity of cities to change form of government, modeled as a linear function of several independent variables:

$$Change_{(i,t)}^* = \beta_0 + \beta_1 PopulationSize(i,t-1) + \beta_2 RepublicVote(i,t-1) + \beta_3 PNonwhite(i,t-1) + \beta_4 HomeOwnership(i,t-1) + \beta_5 Unemployment(i,t-1) + \beta_6 Manufacturing(i,t-1) + \beta_7 FiscalHealth(i,t-1) + \beta_8 PopulationGrowth(i,t-1) + \beta_{9-14} TimeDummies(i,t) + \beta_{15-17} RegionDummies(i,t) + \varepsilon(i,t),$$

where $Change_{(i,t)}^*$ is assumed to be less than zero when we do not observe a change in the form of government and greater than zero when we do. Our definitions of the form of local government are based on the criteria of the International City Manager's Association's *Municipal Year Book*. Because no single data set is available to measure institutional changes in municipal government form over this time frame, several data sets were combined to create a complete dated history of institutional changes in municipal government during this period. The *Municipal Year Book* began to identify the form and date of adoption for all cities in 1934. For the 1930s data, the U.S. Census Bureau's General Statistics of Cities and Bromage (1940) were consulted.

In 1930, there were 310 cities with populations of 30,000 or more. We eliminate cities with town meeting or commission forms of government and the 40 cities whose municipal government form was prescribed by state law following the approach described by Gordon (1968). Washington, D.C., was also excluded because it lacked home rule until recently. Thus, the units of analysis were fixed at 191 cities. The explanatory variables measuring preferences and contexts are as follows:

- Institutional preferences: city population (*Population Size*), the vote for Republican presidential candidate in the county (*Republican Vote*), the ratio of nonwhite population (*Nonwhite*), and the percentage of home ownership (*Home Ownership*)
- Social contexts: the ratio of unemployed population (*Unemployment Rate*), the number of manufacturing establishments (*Manufacturing*), local government fiscal health (*Fiscal Health*), and the change in population over time (*Population Growth*).

We include four variables to capture institutional preferences. *Population Size* is measured as the log of population. *Republican Vote* is measured by the percentage of the vote for the Republican presidential candidate at the county level. *Nonwhite* is measured by the percentage of the population nonwhite. *Home Ownership* is measured by the percentage of homes that were owner occupied.

Four variables capture sociological context and the severity of environmental change in the community. *Unemployment Rate* is measured by the percentage of unemployed persons in the total civilian labor force, *Manufacturing* by the number of manufacturing establishment per capita, *Fiscal Health* by subtracting municipal expenditures from revenue, and *Population Growth* by the ratio of the five-year change. The model also includes three regional and six time dummies.²

The sources for these variables include *The City and County Data Book*, *Census of Population and Housing*, and *Municipal Year Book*.³ Data for some variables in cities with populations under 50,000 as of 1935 are not available because of changes in the methods for collecting census data from 1932 to 1938. Estimates for 1935 were obtained by interpolation from the 1930 and 1940 censuses. However, for the 1935 *Unemployment Rate*, interpolation is not

appropriate because employment is subject to substantial annual fluctuation. Unemployment rates are available at the county level for these years, and we use that as an estimate of city unemployment. *Unemployment Rate* for 1935 is based on the ratio of the change in *Unemployment Rate* of counties from 1930 to 1935 and 1935 to 1940. County-level *Republican Vote* for the Republican presidential candidate was gathered from the Interuniversity Consortium for Political and Social Research and from *Congressional Quarterly*.

Accounting for Adoptions and Abandonments of Council-Manager Form

The analysis proceeds in two stages. First, in order to test the effect of each independent variable across the two types of institutional change, we divided institutional changes into either adoption or abandonment of council-manager form government, as depicted in table 1. Second, in order to examine differences in the influence of these variables over time, we divided the time series into two periods corresponding to 1935 to 1965 and 1965 to 2005. The later period coincides with the expansion of the civil rights movement after Congress enacted the Voting Rights Act in 1965.

Probit and logit models produce estimates that are consistent but inefficient based on time dependence.⁴ In order to take into account the time dependence and/or the impact of national economic shocks (e.g., the oil price shocks and economic recession), we included time unit dummies.⁵ In addition, we added regional dummies to account for permanent unobserved differences in political climate and culture that may affect the likelihood of institutional change. For instance, heavily ethnic cities in the Northeast were predominately mayor-council form, while the growing white-collar communities of the Southwest were more likely to be council-manager form (Wolfinger and Field 1966). A heteroskedasticity-corrected error term across the 15 observations for each city was included to correct for unobserved factors that may vary in a nonconstant way over time within cities and not be picked up by the regional dummies. Clustered standard errors at the city level account for arbitrary correlation of observations for the same city.⁶

Table 1 summarizes the aggregate changes in form of government across 15 five-year periods from 1930 through 2005. In the

Table 1 Council-Manager Form Adoptions and Abandonments, 1930–2005

	Period	MC _(t-1) → CM _(t)	CM _(t-1) → MC _(t)	
Pre-1965 period	1930–1935	4	3	
	1935–1940	4	2	
	1940–1945	4	0	
	1945–1950	8	4	
	1950–1955	11	0	
	1955–1960	5	4	
	1960–1965	0	2	
	Subtotal	36	15	
Post-1965 period	1965–1970	1	0	
	1970–1975	0	1	
	1975–1980	1	3	
	1980–1985	3	4	
	1985–1990	6	3	
	1990–1995	3	6	
	1995–2000	4	3	
	2000–2005	2	6	
		Subtotal	20	26

MC = mayor-council, CM = council-manager.

pre-1965 period, 36 cities changed their form of government from mayor-council form to council-manager form, while 15 changed from council-manager to mayor-council. During the eight periods since 1965, 20 cities reported change from mayor-council form to council-manager form and 26 from council-manager to mayor-council form of government.

During the pre-1965 period, 36 adoptions of council-manager form were observed, and 15 abandonments occurred. However, during the post-1965 period, abandonments of council-manager form of government (26 observations) occurred more frequently than adoptions (20 observations). This evidence calls into question assumptions of unidirectional change. Even in the pre-1965 period, about one-third of observations were abandonments. Abandonment occurred throughout both periods and became more common in the post-1965 period. The number of mayor-council governments decreased until 1955 and increased thereafter, while the number of council-manager form of government increased, leveled off, and then gradually decreased.

Table 2 reports the results of the logit estimations for the event history models of the likelihood cities adopt or abandon the council-manager form of government form. Each column reports coefficient estimates corresponding to the explanatory variables listed on the left, together with their robust standard errors (underneath in

Table 2 Council-Manager Government Adoption and Abandonment, Pre-/Post-1965

Variables	Adoption (MC → CM)		Abandonment (CM → MC)	
	1930–1965	Post-1965	1930–1965	Post-1965
<i>Community Preferences</i>				
Population(log) _(t-1)	.01 (.22)	-1.21** (.49)	.71 (.50)	.09 (.28)
Republican Vote _(t-1)	.06*** (.01)	-.01 (.02)	-.06** (.03)	.00 (.02)
Nonwhite(%) _(t-1)	-.13 (2.14)	-.191 (2.37)	-10.51** (4.10)	.68 (1.50)
Home Ownership _(t-1)	-.00 (.02)	.01 (.03)	-.03 (.02)	-.04 (.02)
<i>Sociological Context</i>				
Unemployment Rate _(t-1)	9.06** (3.62)	-2.98 (13.21)	14.66 (9.92)	15.40* (8.40)
Manufacturing _(t-1)	-.95*** (.34)	-.38 (.44)	-.55* (.30)	-.38 (.32)
Fiscal Health _(t-1)	-.83 (.95)	-1.34 (1.91)	-.00 (.05)	-1.07 (1.40)
Population Growth _(t-1)	-.00 (.02)	.00 (.00)	.01 (.01)	.00 (.05)
<i>Controls</i>				
Time fixed effects	Yes	Yes	Yes	Yes
Regional fixed effects	Yes	Yes	Yes	Yes
<i>Constant</i>	-5.74* (3.07)	10.93 (7.16)	-6.14 (5.76)	-5.02 (4.35)
<i>N</i> (N ₁)	864(36)	905(20)	473(15)	623(26)
Log likelihood	-133.79***	-83.77**	-57.03**	-103.76***
Pseudo R ²	.11	.15	.18	.12
Correct predictions (%)	95.9	98.1	97.4	97.1

MC = mayor-council, CM = council-manager.

p* < .10; *p* < .05; ****p* < .01 (two-tailed).

Note: Robust standard errors clustered by city in parentheses.

For time fixed effects, we used 1940s, 1950s, 1960s, 1970s, 1980s, 1990s, and 2000s.

For region fixed effects, we included Eastern, Midwestern, Western, and Southern states.

parentheses), and superscripts note levels of statistical significance. Positive signs on the coefficients indicate that the corresponding variables increase the likelihood of adoption or abandonment of council-manager form; negative signs indicate a decrease. N and N_1 give the number of observations and the number of adoptions and abandonments. The log likelihood and percentage of correct predictions measure the explanatory power of each model. Each institutional change—adoption or abandonment of council-manager form—is estimated separately for the 1935–65 time period and the post-1965 period. This allows us to identify whether the influence of political preference and context on forms of government varies across these two periods.⁷

We anticipate that both policy preferences and the social context of communities affect the viability of council-manager government. Overall, the results support many of the hypotheses. The influence of all of the explanatory variables except *Home Ownership* and *Fiscal Health* receive at least some statistical support.⁸ With regard to the policy preference explanations, the empirical results support the argument that policy preferences in the community can influence the rate of council-manager adoption or abandonment. One interesting finding is the relationship between *Republican Vote* and the propensity of adoption and abandonment of council-manager form of government. Consistent with expectations, *Republican Vote* has a significant positive effect on the likelihood of adoption and a negative effect on the likelihood of its abandonment in the period of 1930–65. This lends support to arguments that the reform movement was supported by Republican ideology in the early era. The coefficient for *Nonwhite* population on abandonment indicates that when the nonwhite proportion of the population increases, change from council-manager to mayor-council form is less likely, unlike our prediction. Interestingly, this was only for the early history of the council-manager plan and was not evident after 1965.

Consistent with our expectations, *Unemployment Rate* has a strong facilitating effect for both adoption and abandonment of the council-manager form. The statistically significant negative coefficient of *Manufacturing* on council-manager abandonment indicates that council-manager government is more durable when there is strong manufacturing growth, presumably as a result of economic prosperity. However, the coefficient of *Fiscal Health* in all models is not significant, implying that government expenditure and revenue may not independently affect the likelihood of institutional change in local government structure.

Finally, there is clear evidence of the predicted differences across the two periods. Prior to 1965, institutional changes conform to the directional patterns hypothesized and are significantly influenced by policy preferences in the predicted directions; however, this is not the case for the post-1965 period. For example, *Republican Vote* has a significant effect only in the early period. This is also the case for *Nonwhite* population. Additionally, the significantly negative

coefficient of *Population Size* in council-manager adoption model indicates that the size of the municipal government has a negative effect on the likelihood of council-manager adoption. This result is in line with the idea that the mayor-council form has been viewed as the preferred form for very large cities with large population. However, *Population Growth* has no significant effect on the likelihood of either adopting or abandoning council-manager form of government. In general, there is more support for our hypotheses in the 1930–65 period than the post-1965 period.

Conclusion and Discussion

We began by asking what factors influenced council-manager adoption and abandonment over time and how they changed over time. We addressed these questions by integrating political preference and sociological context explanations and estimating models of changes in form of government in 191 American cities from 1930 through 2005. The answer we found is that sociological context factors—in particular, economic conditions—generate both types of change, but community preferences stimulate one change or another but not both.

These results suggest that when communities have experienced disturbances in their social or economic environment, local leaders have looked to change in the structure of government as a response. This may reflect

a need to be seen as responding to changed circumstances, even if the change is symbolic. Environmental changes trigger demands for institutional change generally, but political actors in the community can channel the demands arising from sociological contexts in different ways. Struggles between Republican and Democratic ideologies and among racial groups for local political domination were observed. Republican ideology had a positive effect on the likelihood of council-manager plan adoption and a negative effect on its abandonment. The size of the nonwhite population had a negative impact on the likelihood of reform abandonment. The analysis also suggests that the size of city has a negative effect on the likelihood of council-manager plan adoption.

Environmental change in the community is a catalyst but does not always produce a change in forms of local government.

When we separately examine the pre- and post-1965 eras, the effects of sociological context and institutional preferences on institutional change are different in both periods.

The effects of social context were consistent over time, but effects of policy preferences were only significant in the pre-1965 period.

The findings are intriguing, but we acknowledge that trade-offs had to be made in order to examine change over a 75-year period. We trace out the history of the largest U.S. cities, but in 1930, this included cities with populations as small as 30,000 residents. These cities are not representative of all U.S. cities 2013, and they are not representative of the largest cities today (although the majority of cities in this sample are included in the 200 largest cities in 2010). City-level data prior to 1930 are scarce. This means that several factors thought to affect institutional change, such as culture clashes

The empirical results support the argument that policy preferences in the community can influence the rate of council-manager adoption or abandonment.

Consistent with our expectations, *Unemployment Rate* has a strong facilitating effect for both adoption and abandonment of the council-manager form.

(Handlin 1973; Kleppner 1987; Wilson and Banfield 1964, 1971) and class conflicts (Burnham 1970; Hayes 1972), could not be directly included as explanatory variables in the analysis. In particular, citizen ideology was measured at the county rather than the city level.

Nevertheless, this long history allows us to test theories that could not be examined in a shorter time frame. There are literally dozens of empirical studies in the public administration literature attempting to explain differences in or changes of forms of government, but they are all based on cross-sectional samples or examine much shorter time periods than that investigated here.

Finally, it is important to emphasize that a time-series cross-sectional study of this sort necessarily focuses on broad, systematic causal processes that hold across time and space rather than more idiosyncratic causal processes that hold only at certain times or in certain cities. For instance, evidence that sociological context and/or institutional preferences significantly affect institutional change in certain ways does not imply that they never affect change in other ways or rule out the possibility of readoption of the previous forms of local governments.

Our understanding of the early history of the council-manager movement is based on legal and journalistic accounts and case studies. This history has often been understood and described as a movement from mayor-council government to council-manager government followed by relative stability. The empirical analysis presented here challenges this account, documenting both adoptions and abandonments of council-manager form of government for the entire period examined. The statistical analysis reveals that political explanations for institutional change that are based on diverse policy preferences are supported in the early period but not the later. Thus, this work provides a bridge between political science explanations that focus on preference and strategic choice to account for institutional change and sociological explanations that focus on social contexts and legitimacy. The scenario in which economic and social forces create demand for change generally along with political actors channeling those demands to specific types of institutions is quite similar to accounts of the political process surrounding city-county consolidation efforts (Carr and Feiock 2004). The approach applied here might be extended to develop a more general theory of institutional change at the local level. Such a theory would need to encompass a broad spectrum of institutional changes ranging from radical institutional restructuring, such as city-county consolidations, to adoptions or abandonments of forms of government, to more modest adaptations of municipal charters.

Notes

1. Event history analysis ideally permits us to assess causal effects on the rates at which events occur and time dependence in such rates because the techniques use all of the information on number, timing, and sequences of changes between discrete states of the dependent variables (Box-Steffensmeier and Jones 1997; Tuma, Hannan, and Groeneveld 1979).
2. Three regional dummies include Eastern, Midwestern, and Western state, with Southern state as the reference region. Six time dummies include 1940s, 1950s, 1960s, 1970s, 1980s, 1990s, and 2000s, with the reference period being the 1930s.

3. *The City and County Data Book* (Washington, DC: U.S. Census Bureau, 1944, 1949, 1952, 1956, 1962, 1967, 1972, 1977, 1983, 1988, 1994, 2000, 2008); *Census of Population and Housing* (Washington, DC: U.S. Census Bureau, 1930, 1940); *Municipal Year Book* (ICMA, various years); U.S. Department of Labor, annual reports; U.S. Department of Commerce, *County Business Patterns*; Interuniversity Consortium for Political and Social Research, United States Historical Election Returns (1930–78 ICPSR0001), *Congressional Quarterly*, American Votes series; and *Congressional Quarterly*, Voting and Elections online module.
4. The standard errors will be wrong (Poirier and Ruud 1988). If serial correlation is high, then simulations by Beck and Katz (1995) have shown that the standard errors from a normal probit or logit may be underestimated by 50 percent or more. In other words, we need to worry about time dependence in the data.
5. One can test whether the temporal dummy variables are necessary with a likelihood ratio test. The likelihood ratio test indicated that the model with time dummies is better than that without time dummies at the .05 level.
6. Estimations using only robust standard errors produced results similar to those with clustered standard errors.
7. We modeled the interactions between the time period and the independent variables in two ways. First, we estimated our models separately for each form of government to examine differences in the coefficients for each of the independent variables under each form of government (reported in table 2). Second, we estimated an unrestricted model for all cities that included interaction terms for the products of the pre-1965 era and each independent variable in the model. This allowed us to test whether differences in the effects of the social, economic, and political factors within each period are statistically significant. A full model that included interaction terms and allowed different slopes for each type of city was compared with the restricted models in table 2 that had the restriction that the slopes for each era are equal. The *F*-test that compares explained variance in the restricted and unrestricted models was statistically significant at .05 (adoptions) and .10 (abandonments).
8. A Hausman test was conducted to evaluate the significance of our model versus the null hypothesis. It shows that the model is statistically significant at the .001 level.

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