



Smaller is Better

Peter Gordon, Professor, University of Southern California

Most people's complaints about life in Los Angeles involve the quality of services that they get from government, be it the roads, the schools, crime control, etc. The tonic for inept or dysfunctional government is not another round of "reform" but real competition.

Markets succeed when sellers compete. The same applies to governments. This means that when neighborhoods want to secede from the larger city, they should be able to do so. In many cases, a credible threat of secession would be enough to keep the politicians in line. This means more democracy as well as greater efficiency in the public sphere.

In 2002, after much wrangling in Sacramento, San Fernando Valley voters were finally allowed to vote on whether they wanted to secede from the City of Los Angeles. A slight majority of them did vote to secede but they were overruled by the anti-secession vote in the rest of the city. Opponents argued that SFV residents should stay and support their fellow LA citizens via their taxes sent to City Hall. But that this sort of redistribution is funneled through the LA bureaucracy, where it simply feeds the beast. Better to starve the beast. Never mind that there are no examples of politicized redistribution programs "solving" anything. In fact, they often make things worse.

University of Maryland Professor Robert Nelson has suggested that all neighborhoods get the right to the secession-privatization option. He has noted the post-1970 migration to private communities, that now house more than 50-million Americans. These people have voted with their feet. They have opted for more local government functions that are privatized and real home-rule. Inevitably, there

is still politics but it is closer to home and less likely to be hijacked by interest groups. Give residents of established older neighborhoods the same opportunities.

Compare that to what we have in Los Angeles, with gerrymandered districts, high rates of re-election of incumbents, influential and generous lobbyist insiders, and low voter turnout. Real neighborhood empowerment means not more town hall meetings and the limited reform that created our neighborhood councils, but real devolution of power, authority and tax dollars. Residents would be much more attached to parks, roads, schools and services that they actually owned and controlled. Many who have moved to the suburbs might also take a second look at the inner city.

These notions are the opposite of the popular idea of regional or metropolitan governance. It is odd that many people routinely expect that consolidation means greater efficiencies, e.g., economies of scale. Contrary to all evidence, they ignore the associated diseconomies of scale. There were 67,355 school districts in the U.S. in 1952. There were 13,506 districts serving many more students in 2002. Can anyone argue that any scale economies were achieved? By most measures school quality is down and the diseconomies of greater bureaucratization must get some of the blame.

There will surely be situations when small local governments have occasion to form coalitions or joint-powers agreements with nearby cities or neighborhoods. They can always do so, on an as-needed basis. Many already do. This is much better than a standing bureaucracy that simply institutionalizes the ineptness and abuse that we now live with.