



Encyclopedic Dictionary of Public Administration

The reference for understanding government action

AMALGAMATION (OR MERGER)

Serge Belley, Professor
École nationale d'administration publique
serge.belley@enap.ca

In the area of local governance, amalgamation is a term, often used interchangeably with merger, that describes the fusion of one or more municipal entities into a new organization. The term refers to a specific form of consolidation, in which a new municipal corporation comes into being where several separate entities formerly existed. It is important to distinguish amalgamation from another form of consolidation, namely, annexation (either total or partial), wherein one entity – generally larger and having greater resources – completely absorbs one or more other entities – generally smaller and having fewer resources – which thereupon cease to have any legal existence. The difference between the two processes can be likened to the distinction made in the business world between a consolidation and a takeover (Deubel, Montoussé and d'Agostino, 2002).

Both types of consolidation¹ can occur in the public sector whenever, for example, following a decision, either voluntary or imposed, two or more municipalities having adjoining territories, proceed to amalgamate or, on the contrary, one of the municipalities annexes its neighbour(s) in whole or in part (Dubuc, 1996). The present definition will be limited to amalgamations, whether voluntary or imposed, of autonomous, decentralized political entities. Local administrative reforms conducted in the last several years, and in particular in Canada and Quebec (O'Brien, 1993; Vojnovic, 1997; Belley, 1997; Government of Quebec, 1999; Tindal and Tindal, 2000; Collin, 2002), provide abundant material for illustrating the complexity of the issues and challenges surrounding this form of consolidation. Accordingly, four interrelated elements will be considered for the purpose of grasping the nature and dynamics of these challenges: context, actors, options and impacts.

Context

Amalgamation constitutes one instrument (Lascoumes and Le Galès, 2004), among others, that a political authority may draw on to completely reorganize the local public sector for a given territory. The use of this instrument may be either voluntary (i.e., optional), whenever it is left to local administrations to take the initiative, or coercive (i.e., obligatory) whenever it stems from a unitary decision on the part of the supervising government. The choice of, and rationale for, either

¹ Amalgamation and annexation can also occur within a single organization. Such is the case, for example, whenever two internal units of an organization (public or private) merge their activities so as to form one new unit or, on the other hand, one of the two units annexes the other in whole or in part.

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avenue must be placed in related to the local, national and indeed international spatial-temporal context in which such decisions are enacted. This same context also frames analysis and understanding of the finality (formulated with varying degrees of clarity) of a municipal restructuring policy, for which amalgamation constitutes one of the instruments. At that point, the aims entering into consideration can include, for example: achieving greater effectiveness and efficiency in the local or national public sector; systemizing policies (pertaining to taxation, urban planning, transport, environment, etc.) for a given territory; building the administrative and technical capacities of local bodies; enhancing local democracy, etc.

The use of such a public policy instrument or apparatus – “which can never be reduced to pure technical rationality” (Lascoumes and Le Galès, 2004) – indeed arises from a given, but never permanently defined, political and ideological context. It is against this backdrop that the actors concerned – be they proponent or opponents – construct their discourses, elaborate their strategies and justify their actions.

Actors

As an instrument of policymaking, municipal amalgamation brings into play a great many actors: elected representatives and their agents, from both the supervising government and the municipal bodies concerned; local or national pro- or anti-amalgamation groups; the media; experts (academics, consultants, etc.); and citizens. The positions and actions of these actors are rooted in beliefs and values (Bherer and Lemieux, 2002); it is on this basis, moreover, that they may opt to form coalitions in order to maximize their chances of making their views prevail. Proponents of amalgamations will thus argue that reducing the number of municipalities on a given territory will contribute to improving local and regional public management. Looking to the benefits of competition and the principles enshrined in New Public Management (NPM), their opponents will argue, on the contrary, that smaller organizations outperform large organizations, thus that fragmentation is preferable to consolidation (Keating, 1995; Isin, 1998; Sancton, 2000; Desbiens, 1999; Poel, 2000; Bish, 2000; Lightbody, 2006).

For the supervising government, which is compelled to justify its choice amid a tangle of problems, solutions and political agendas (Kingdon, 2003), the decision to be made (including that of doing nothing) is all the more difficult in that each option must be carefully weighed, politically and technically speaking.

Options

As is shown by an analysis of municipal restructuring policies, amalgamation can proceed through a range of options: the strengthening of regional or two tier system; recourse to ad hoc inter-municipal agreements, the privatization of services; the establishment of metropolitan taxes; the upgrading of multi-level governance mechanisms; or a combination of structural, cooperative and taxation measures (Letartre, 1999; Belley, 2002; Collin, Léveillé and Poitras, 2002; Lightbody, 2006). As is shown by an analysis of policy, the choice of “best” option depends to a great extent on how a problem is defined.

In effect, defining a problem serves to eliminate certain options. Or, to put the matter differently, it is a way of mapping out the decision-making process culminating not in the “best” solution but in that solution which, in a particular context and alongside other existing alternatives, appears to be

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the most satisfactory. It also serves, at least in part, to trace out the path of implementation that is ultimately embarked upon. Cognitive and normative frameworks (Jobert and Muller, 1987; Palier and Surel, 2005), which structure every public policy, particularly at the development phase, thus overlap with institutions (Pierson, 2000) to narrow down the range of options. Actors are thereby able to anticipate reactions and behaviours and, as a result of this process, the potential impacts of a policy. That being said, it is impossible to anticipate all outcomes, as every policy also generates its own specific impacts.

Impacts

Amalgamation produces numerous, complex impacts that are difficult to anticipate, assess and interpret. Impacts can be both internal and external to organizations (Slack, 2000; Vojnovic, 2000; Poel, 2000); successfully identifying and subsequently correcting them will depend on the methods, techniques and indicators used. Numerous causal factors are behind the impacts (both anticipated and unanticipated) of an amalgamation: local political resistance; the misapplication or diversion of implementation measures; inadequate resources, particularly of the financial variety; a lack of political or administrative leadership (at either the central or local level); deficient coordination mechanisms (at either the central or local level); etc. From that perspective, impact assessment is a powerful test for the (dys)functioning and limitations of a structural reform. In addition to providing information concerning the norms and rules of interpretation guiding the implementers and beneficiaries of the proposed change (what is otherwise referred to as “room for discretion”), it can also demonstrate the difficulty of both pursuing and achieving objectives of effectiveness, efficiency, access and fairness in regards to public service delivery for a territory.

By way of conclusion, amalgamation can be conceived of as a wager concerning the future performance of a new entity destined to replace two or more existing entities whose operations and results have been judged as being more or less satisfactory. Yet, when applied to local public administration, it also emerges as a “process of instrumentation of territory” (Estèbe, 2004).² From that perspective, municipal amalgamation (whether voluntary or imposed) is more than a mere reconfiguration of existing structures: it also constitutes an attempt (never fully achieved) at ordering, and enacting the meaning of, public policy on a territory (or territories).

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² Translator’s note: “instrumentation of territory” refers here to a particular conception of governance developed in large part the French sociologists Pierre Lascoumes and Patrick Le Galès (2007), who themselves draw considerably from the French philosopher Michel Foucault’s theory of “governmentality.” In short, this term can be thought of in terms of the techniques, rationalities and strategies by which a territory is rendered governable – that is, suitable for the devising of public policy.

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