Capital Cities in Interurban Competition:

Local Autonomy, Urban Governance, and Locational Policy-Making

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Abstract

Capital cities are government cities that tend to lack a competitive political economy. Especially secondary capital cities – defined as capitals that are not the primary economic centers of their nation states – are pressured to increase their economic competitiveness in today's globalized interurban competition by formulating locational policies. This article compares the locational policies agendas of Bern, Ottawa, The Hague, and Washington, D.C. The comparison reveals that (1) secondary capital cities tend to formulate development-oriented locational policies agendas, (2) local tax autonomy best explains the variance in locational policies agendas, and (3) secondary capital cities possess urban governance arrangements where public actors dominate and where developers are the only relevant private actors. The challenge for secondary capital cities is to formulate locational policies that enable them to position themselves as government cities, as well as business cities, while not solely relying on the development of their physical infrastructure.

Introduction

Economic globalization contests the political and symbolic centrality of capital cities. The ascendance of global cities, the rise of transnational institutions, and the increasing concentration of the knowledge economy in a few dominant metropolitan centers challenge the traditionally importance of capital cities (Friedmann 1986; Sassen 1991). Contemporary capitalism pressures capital cities to enter into globalized interurban competition like any other city. It is, however, uncertain whether and how cities can influence their economic destiny in an international market economy (Savitch and Kantor 2002). Secondary capital cities (SCCs), defined as capitals that are not the primary economic centers of their nation states, are especially challenged by these pressures because these cities lack a competitive political economy (Kaufmann 2018).

The political economy of SCCs differs from political economies of other types of cities because SCCs have more complicated government-market interactions, and they are subject to a greater influence from the national government on the local economy, the local labor market, and local land markets (Campbell 2000). The specific political economy of SCCs is produced by "complex relationships between government, private-sector, and third-sector actors [that] form a distinctive economic system, which is spatially manifested through their interactions, which, in turn, produce information and knowledge" (Mayer et al. 2018, p. 4). As a consequence, the regional economy of SCCs possesses strong clusters of firms in highly regulated and knowledge-intensive sectors, it lacks strong industrial sectors and it is depend on public procurement (Kaufmann 2018; Mayer et al. 2018). And finally, capital cities are places that represent national identity, where a nation's memory and symbols are staged and thus they have to maintain a modern and representative infrastructure (Cochrane 2006). The legacy as 'government cities' constitutes the unique competitiveness challenges for SCCs. Therefore, SCCs enter globalized interurban competition with a political economy that is configured differently than the political economies of global economic powerhouses, such as New York, London, or Tokyo, or overachievers in contemporary capitalism, such as the Silicon Valley, Amsterdam, or Singapore. It is within these settings that SCCs seek ways to position themselves in interurban competition, and they do this by formulating locational policies that aim to increase their economic competitiveness (Kaufmann 2018).

Nation states deliberately chose secondary cities as capitals in order to exert a balance between different regions or cities within a nation state with the idea that they should refrain from developing into economic powerhouses. In some instances, SCCs were chosen to avoid the concentration of economic and political powers and to serve as independent and alternative sites to traditional commercial centers (Gottmann 1977; Mayer et al. 2016; Slack and Chattopadhyay 2009). In other cases, formerly colonized nations sought to break with their colonial ties by building a new capital city as a symbol of their independence (Moser 2010; Rossmann 2017). SCCs can be found on every continent. Famous examples of SCCs exist in Africa (e.g. Pretoria, Abuja), Asia (e.g. Jerusalem, Islamabad), Oceania (e.g. Wellington, Canberra), Europe (e.g. Berlin, The Hague), North America (e.g. Washington, D.C., Ottawa) and South America (e.g. Brasilia, Sucre). National governments may choose to establish new capital cities from scratch or to relocate capital cities to secondary cities. Examples include the relocation of the Brazilian capital from Rio de Janeiro to Brasilia in 1960, the relocation of the Nigerian capital from Lagos to Abuja in 1991, and the construction of the new Malaysian administrative capital of Putrajaya, which began in 1995. Relocating a capital city is a normal process in the political life of empires, kingdoms, and nations with regard to time and space: around 40 % of all nation states have discussed relocating their capital city (Rossmann 2017). Given that the global system of capital cities is dynamic, it is likely that other SCCs will be established in the future and that these new SCCs will face the same competitiveness challenge that current SCCs do.

The political science and public administration literature perceive SCCs as government cities and it analyzes them in relation to the (federal) nation state (e.g. Harris 1995; Rowat 1968, 1973) or it focuses on how capital cities in federations are organized and financed (Slack and Chattopadhyay 2009). This article perceives SCCs as economic actors that engage in globalized interurban competition and thus it uncouples SCCs, to a certain degree, from the analytical fixation on the nation-state.

In what follows, I draw on the literature on multilevel governance, local autonomy, urban politics, and locational policies in order to establish the theoretical framework for this article. In individual case studies, I study variations in the locational policies agendas of four different SCCs, namely Bern, Ottawa, The Hague, and Washington, D.C. The cross-case comparison finds that SCCs tend to formulate locational policies agendas that favor the physical development of their cities. It also reveals that local tax autonomy greatly influences the formulation of locational policies because it alters the opportunity structure through which local governments raise funds. I discuss the generalizability of these findings and I conclude by briefly recommending strategies that may counteract the negative implications of SCCs' locational policies agendas.

A Multilevel Governance Framework for Studying Urban Policies

The multilevel governance (MLG) concept, adapted to the urban perspective, provides the theoretical framework behind this article (summarized in Table 1). Two dimensions of MLG serve as the explanatory factors to analyze the locational policies agendas in SCCs.

Table 1: Theoretical framework

Overarching framework	**Multilevel Governance**		
Concepts	Explanatory factor 1 Vertical dimension: Local autonomy	Explanatory factor 2 Local dimension: Urban governance arrangements	Phenomena to be explained: Locational policies agendas
Operationalization of concepts	- Governing structure - Local tax autonomy	- Social production model	- Tax maximization - Development and public funds

The MLG concept theorizes the decision-making of multiple intervening actors that operate on multiple scales without a structuring authority (Hooghe and Marks 2003). Horak and Young (2012), among others, adapt the MLG concept to the urban perspective. They propose two MLG dimensions: The vertical dimension analyzes the interaction between governments at multiple levels in policy-making, whereas the local dimension examines the involvement of non-governmental actors in the policy-making process (Young 2012, pp. 5–6). Consequently, Horak (2012, p. 339) defines MLG as "a mode of policy making that involves complex interactions among multiple levels of government and social forces."

Both dimensions are crucial for a comparative analysis of urban policy in general (e.g. Gurr and King 1987; Kantor and Savitch 2005; Sellers 2005), and these dimensions are especially relevant for the comparative study of locational policies in SCCs. The vertical dimension encompasses contextual elements, national variations and institutional differences (Kübler and Paganao 2012). To capture the influence of higher-level governments is important because the different layers of government intersect much more profoundly in SCCs than in any other types of cites (Campbell 2000, p. 10). The local dimension is essential for understanding policy-making in economic policies, such as locational policies, because it accounts for the influence of private actors in urban governance arrangements (e.g. Stone 1989).

Phenomena to be explained: Locational Policies Agendas

Locational policies aim to enhance the competitiveness of a locality (Brenner 1999). They rely on the identification, development, and promotion of place-specific assets because these assets may allow places to escape from a fully competitive, and therefore level, global market (Kaufmann and Arnold 2017; Kaufmann 2018). Cities possess varying local resources and operate under varying institutional and economic constraints. All of these factors shape urban economic policies (Savitch and Kantor 2002). Locational policies can take many forms. Kaufmann and Arnold (2017) distinguish between six types of locational policies: (1) innovation policies, which facilitate knowledge flows between a region's crucial actors, 2) image building policies, (3) business prerequisites strategies that encompass real estate, infrastructure, and tax policies, (4) strategies to attract firms, (5) the establishment of coordination structures for locational policies, and (6) strategies to tap into higher-tier governmental funds. Similarly, Jonas and Ward (2007) mention policies that foster start-ups, attract outside investments and encourage new urban governance arrangements. These kinds of locational policies have expanded substantially in their quantity and they also take new and varied forms (Young 2012, p. 18). Uyarra (2010, p. 132) emphasizes that locational policies appear in complex bundles, occupy multiple policy domains, and are often mutually dependent. Given that city governments formulate locational policies based on local assets, capital cities may rely on their capital city status when devising locational policies (Kaufmann 2018; Mayer et al. 2016).

Vertical Dimension: Local Autonomy

The vertical dimension assesses the local autonomy of cities, which can be more or less be constrained by higher-tier governments (Goldsmith 1995; Gurr and King 1987; Sellers and Lidström 2007). The local autonomy of capital cities tends to be more limited than the local autonomy of other cities in the national urban system. James Madison provides the intellectual justification for such capital city specific local autonomy constraints in The Federalist Papers, no. 43, where he argues that the U.S. capital should be independent from state or commercial interests (Hamilton, Madison, and Jay 2005). Political science scholars emphasize that capital cities are torn between the conflicting priorities of serving the nation state as a whole and serving their local residents (Harris 1995; Rowat 1968, 1973). These conflicting priorities are known as the classic capital city conflict, the challenge of dual democracy, or simply as the Rowat thesis (Harris 1995; Nagel 2013b). Following Page and Goldsmith (1987, 5–7), I examine SCCs' local autonomy by focusing on their constitutional status and on their degree of financial and fiscal autonomy.[1]

The constitutional status of capital cities, also known as their governing structures, has been a prominent research object since the beginning of comparative capital city research. Rowat (1968; 1973) compares seventeen federal capitals and distinguishes between three types of governing structures: (1) a capital city located in a special district, (2) a capital city as a city-state that is simultaneously a constitutive unit of its nation, and (3) a capital city located within a province, state or canton with no special status. This threefold distinction is prevalent in capital city research (Harris 1995; Slack and Chattopadhyay 2009). Each of these governing types assigns more or less local autonomy to capital cities. Capital cities as special districts lack the constitutional sovereignty that states/provinces enjoy, and thus the national government can exert considerable control over them. Capital cities as city-states have the power and responsibilities of both cities and states/provinces, and they tend to have more power and more local autonomy than other cities in the national urban system. A capital city in a state/province possesses the same legal status as other cities in the national urban system. The local autonomy of these types of capitals do not tend to be very restricted, however, they fall under the responsibility of their respective state/province (Slack and Chattopadhyay 2009).

Michael Goldsmith (1995, 2012) highlights the importance of the national tax systems under which local governments operate. The national tax system determines jurisdictions' ability to raise funds (Goldsmith and Page 1987, p. 7). The proportion of all national tax revenue collected at the local level is a straightforward measurement of local tax autonomy (see OECD 2014). Furthermore, high local autonomy means that local governments have a variety of tax instruments available, such as personal income tax, corporate income tax, and property tax on land and real estate. In a low local tax autonomy context, some of these tax instruments are the prerogative of higher-tier political entities. To compensate for the lack of local tax instruments available, higher-tier political entities transfer a substantial amount of public money to finance local budgets (Goldsmith 2012, p. 137). Local governments are more likely to behave competitive in their formulation of locational policies when they operate in a high local tax autonomy setting (Kaufmann and Sager 2018).

SCCs must endure capital city-specific local tax autonomy constraints. For example, Washington, D.C., as the Federal District, does not enjoy the same tax rights as U.S. states. Furthermore, tax exemptions on property belonging to the national government, as well as on property belonging to foreign governments (such as embassies or consulates), restrict the local tax base of capital cities. The national government may compensate for these restrictions to the property tax base with payments-in-lieu-of-taxes (Slack and Chattopadhyay 2009).

Local Dimension: Urban Governance Arrangements

The local dimension integrates a key aspect of the urban politics literature: the interplay between local public and local private actors in governing the city. The two seminal studies in urban politics that constitute the community power debate (Dahl 1961; Hunter 1953) suggest that local business actors substantially influence urban politics. Three decades after the community power debate, the growth machine theory (Logan and Molotch 1987; Molotch

1976) affirms the power of land and property owners, together with other growth-oriented actors, such as such as investment firms, developers, construction firms, local utility companies, local media, small, and self-employed businesses, as well as universities and cultural institutions. A commitment to economic growth based on tangible benefits unites these diverse actors (Harding 1995, p. 42). The growth machine theory criticizes that the exchange-value of property and land trumps its use-value. The urban regime analysis (Stone 1989, 1993), in a nutshell, argues that popular control (votes) and investments in local development projects (money) are the two decisive resources that create the 'capacity to act' in an urban arena. This 'capacity to act' is the foundation of Stone's 'social-production model', which proposes a more diffuse form of power: the facilitative 'power to' rather than the absolutist 'power over' (Stone 1989, p. 229). The 'social production model' emphasizes that decision-making in local economic development does not follow a formal line of authority. A wide array of private actors participates in decision-making processes because they provide essential investments. Business actors are strategic actors who look beyond specific local economic development projects and seek to influence the general locational policies agenda (Swyngedouw, Moulaert, and Rodriguez 2002).

Given the difficulties of the urban regime analysis to travel through time and space (e.g. Pierre 2014), I draw on the 'social production model' as the crucial analytical element for examining 'urban governance arrangements'. Stone (2015) acknowledges that socio-economic restructuring has altered the urban political arena and he argues that: (1) there is less urgency to conduct big development projects, such as expressways or business city centers, (2) corporations are not as place-bound as they were before, and (3) diverse non-governmental organizations are now important urban political actors. All in all, the post-industrial city does not seem to be a breeding ground for a stable governing coalition with a cohesive and ambitious policy agenda. Thus, I analyze the interactions of public and private actors in the formulation of locational policies through the perspective of urban governance arrangements. As I demonstrate in the case studies, urban governance arrangements are distinctive in SCCs because public actors occupy a central role in these arrangements due to the lack of an industrial history that may have otherwise produced powerful business actors.

Research Design

This article employs a comparative case study design that includes four SCCs in OECD countries, namely Bern, Ottawa, The Hague, and Washington, D.C. The research design juxtaposes a cross-case analysis with a within-case analysis that together allow for reliable causal inferences (Collier, Brady, and Seawright 2010, p. 10). The case selection is based on variance in the explanatory factors. The four cases are a theory-driven sample since they vary in the proposed explanatory factors but share many similarities in contextual variables (see Table 2). Focusing on SCCs in Europe and North America enables me to control for some of the economic and political context. Furthermore, the exclusion of the other six cases from the population of SCCs in OECD countries[2] can be justified due to their lack of comparability and due to practical reasons. Berlin, Jerusalem, and Rome fit the economic definition of SCCs, but they are the primary historical, symbolic, and cultural cities of their nations. I exclude Ankara because of its rather idiosyncratic political and cultural setting. I primarily exclude Canberra and Wellington, despite their good fit in the category of SCCs, for practical reasons, as I would have required considerable resources to be able to conduct field research in Oceania.

Table 2: Summary of selected cases

Type of factor	**Factor**	**Bern**	**Ottawa**	**The Hague**	**Washington, D.C.**
Controlled factor	Type of capital city	Secondary capital city	Secondary capital city	Secondary capital city	Secondary capital city
Controlled factor	Type of country	Western OECD country	Western OECD country	Western OECD country	Western OECD country
Context factor	Inhabitants	131,554	957,148	514,861	672,228
Context factor	State type	Federal state	Federal state	Decentralized unitary state	Federal state
Explanatory factor 1	Local autonomy - Governing structures	City in a state (i.e. canton)	City in a state (i.e. province)	City in a state (i.e. province)	Federal District
	- Local tax autonomy	High	Rather low	Low	High
Explanatory factor 2	Urban governance arrangement	Government dominated arrangement	Government-developer arrangement	Corporatist arrangement	Business-developer-government arrangement
Phenomena to be explained	Locational policies agenda	Tax maximization	Development and public funds	Development and public funds	Tax maximization and development

This article relies on 91 semi-structured, in-person interviews with 103 relevant decision makers in the four SCCs (see Table 3). I carefully selected interview partners to ensure sufficient variety within the cases and consistency between them. The interviews took place during three-month field studies in all four SCCs between summer 2014 and summer 2015. There is an anonymized list of interview partners in the Appendix (see Table A1). To enhance confidence in the observations, I triangulate reactive data (interviews) with non-reactive data (such as secondary literature, reports, databases, strategic papers, and city budgets).

Table 3: Summary of interviews

Type of Interviewee	Bern	Ottawa	The Hague	Washington, D.C.	Total
- Public official (local, second-tier and national government)	6	5	9	8	**28**
- Economic development agent - Regional coordination agent	3	6	4	4	**17**
- Business actor - Private interest group representative	7	6	5	8	**26**
- Expert - Academic	3	4	6	7	**20**
Total	**19**	**21**	**24**	**27**	**91**

I present all four case studies in the same order: first, I briefly outline the reasoning behind the selection of each city as the capital, next I describe the local autonomy and the urban governance arrangement, and then I explain how these two explanatory factors influence locational policies agendas. The analytical weight of this article rests on the cross-case comparison in the discussion section.

Bern

The city of Bern was chosen as the capital of Switzerland in 1848 for pragmatic reasons. At that time, Lucerne, a conservative catholic stronghold, was still skeptical of the new Swiss Confederation, and Zurich was already too economically powerful (Kübler 2009; Stadler 1971). Furthermore, the choice of the city of Bern as the capital city was an inclusionary gesture at this time of nation state building due to its central geographic location and its proximity to the French speaking parts of Switzerland (Stadler 1971, p. 582).

Local Autonomy

Swiss municipalities enjoy high local autonomy. They have residual powers, i.e. they can legislate in areas where superior bodies have not legislated (Kübler 2009, p. 245). Legally, the capital city is treated like any other Swiss municipality and thus, there are no capital city specific constraints. In the Swiss political system, cantons are the most powerful political entities with regard to policy formulation and implementation (Sager, Ingold and Balthasar 2017).

Local tax autonomy is also high in Switzerland. Local governments are able to levy personal income taxes, corporate income taxes, and property taxes. They also have the power to set their own tax rates. Municipalities raise 15.16 % of all Swiss taxes (OECD 2014). Taxes levied on personal income are by far the highest source of revenue for the city of Bern (see Table 4). Other than a lump sum that the federal level provides for cultural activities, the city of Bern does not receive any compensation from the Swiss Confederation. However, it receives about 15 % of its revenue from financial transfers from the canton.

Table 4: Local revenue composition of the city of Bern

Budgetary items	**Swiss Franc (CHF) in Millions**	**Percentage (%)**
Property tax	39.77	2.63
Personal income tax	642.48	42.47
Corporate income tax	150.06	9.92
Other taxes	61.22	4.05
User fees	200.70	13.27
Patents and concessions	1.65	0.11
Assets	154.10	10.19
Cantonal governmental transfers	167.60	11.08
Cantonal fiscal equalization scheme	63.25	4.18
Miscellaneous	31.84	2.10
Total	1,512.69	100

Sources: Federal Finance Administration (2016), data from 2014.

Notes: Sales and gross receipt taxes are the prerogatives of the federal level. The lump sum of one million CHF annually provided for cultural activities is not recorded in the data of the Federal Finance Administration and is thus not displayed in this table.

Urban Governance Arrangement

Public actors dominate Bern's urban governance arrangement. While there are local private interest groups that share a common interest in the economic advancement of the city of Bern, these groups are only loosely connected and are not very influential. In a book about the international activities of European cities, Van der Heiden (2010, p. 44) states: "The few international activities of the City of Bern are clearly in the hands of the city administration. Private actors and the public are wholly excluded from Bern's few international activities". Additionally, a comparative study of large-scale urban construction projects in Swiss cities finds that the Bernese local government holds the key position, whereas private actors only enter the scene during the realization of these projects (Lambelet 2017). This powerful role held by the local government also applies to locational policies. For example, an influential business representative assesses the interactions between public and private actors as much more dynamic in Zurich than in Bern (Interview 2). Other business representatives blame the political dominance of the social democratic and the green parties, which they say hinders the ability for business representatives to contribute their ideas (Interviews: 5 & 7). Furthermore, profound direct democratic institutions are a special feature of Bernese city politics that limits business influence. Bernese citizens are automatically called to the ballot box when a projected public expenditure is expected to exceed seven million Swiss Francs or if a law would modify the local land use or local housing policy. Additionally, citizens must approve the city budget and tax rate annually (Kaufmann et al. 2016).

Locational Policies Agenda

The city of Bern pursues a tax maximization locational policies agenda. It focuses on being attractive for residents through the formulation of locational policies that seek to enhance its residents' quality of life. These locational strategies include maintaining green spaces, preserving the old town, establishing schools for expatriate children, and supporting cultural activities (Interviews: 3, 6 & 18). These efforts aim to attract wealthy taxpayers to the city of Bern in order to increase the personal income tax base that currently comprises 42 % of the local revenue. The city's locational policies do not focus on acquiring firms because it is the canton of Bern that holds the discretionary power to offer tax incentives to firms (Interview 6), and because corporate income taxes only comprise 10 % of local revenue. In general, the city of Bern does not formulate many economic-oriented locational policies. Instead, it concentrates on quality of life issues, and it positions itself as the political center of Switzerland by arguing that a strong capital city is in the interest of the whole nation state.

Ottawa

Ottawa was a farmer and lumber town prior to being named as the capital of the Province of Canada in 1857. Queen Victoria made the final decision to choose Ottawa as the capital (Andrew 2013, pp. 86–87). Egglestone (1961, p. 102) argues that Ottawa was the only place that the majority of the existing Canadian cities considered to be an acceptable choice as the capital. With the establishment of the Canadian Confederation in 1867, Ottawa became the federal capital (Tassonyi 2009, p. 57).

Local Autonomy

The Canadian Constitution does not recognize municipalities. Its only reference to municipalities is as ‘creatures of the provinces’. The city of Ottawa operates under the statutory framework of the province of Ontario. The National Capital Commission (NCC) exerts direct control over the planning, zoning and building of federal land and therefore constrains the local autonomy of Ottawa compared to other Canadian municipalities. “This means that neither the provincial nor the local authority has any rights of taxation, legislation, or regulation over such property, except what the national authority chooses to give it” (Taylor 2011, p. 28). The NCC is the single largest property owner in Ottawa, with direct control over approximately 10 % of all land in Ottawa, including some very prominent areas in Downtown (Champagne 2011, p. 46; Interviews: 52, 54 & 58).

Canadian local governments raise 9.69 % of all tax revenue in Canada. Three tax revenue categories exist for municipalities in Ontario: property taxes, user charges, and transfers from other governmental levels (mostly from the provincial government) (Siegel 2009, pp. 50–51). Governmental money transfers consist of four categories: (1) conditional grants, (2) unconditional grants, (3) payments-in-lieu-of-taxes (PILTs), and (4) revenue sharing. The PILTs that Ottawa receives are remarkable from a comparative perspective on the financing of capital cities because not many other capital cities receive such generous PILTs (Slack and Chattopadhyay 2009).

Table 5 summarizes the revenue breakdown of the city of Ottawa. Property taxes are extremely important as they comprise 47 % of the city's revenue. User fees account for another 24 % of revenue. The city of Ottawa raises 75 % of its budget independently. Government grants (19 %) and payments-in-lieu-of-taxes (6 %) add up to 25 % of the revenue that comes from higher-tier governments.

Table 5: Local revenue composition of the city of Ottawa

Budgetary items	**Canadian Dollars (CAD) in Millions**	**Percentage (%)**
Property tax	1,455.26	47.08
Fees and services	735.78	23.80
Federal transfers	499.81	16.17
Provincial transfers	79.56	2.57
Payments in lieu of taxes	191.88	6.21
Miscellaneous	128.98	4.17
Total	3,091.27	100

Source: City of Ottawa (2016), data from 2015.

Urban Governance Arrangement

Public actors and developers dominate the urban governance arrangement in Ottawa. Horak (2012, p. 356) argues that large firms, property developers, and chambers of commerce are important for governance arrangements in Canadian cities. According to the interview partners, chambers of commerce and large firms do not exercise much influence in Ottawa. Since the crash of Ottawa's pivotal high-tech sector in the early 2000s, Ottawa no longer houses a strong industry and thus, the chambers of commerce lack influence and money (Interview 49). An expert explains the consequences:

> Here in Ottawa, no urban regime exists, except for the developers. (…) Local developers in Ottawa are very important in running the city. There are about 50 influential developers that have something to say. They do not want to be organized because than they would be recognized as political players. It is a diffuse form of power. (Interview 58)

Another expert is similarly trenchant in describing the role of the developers in Ottawa: "Developers are the only people that have an influence on city hall. It is not the chamber of commerce or other organized business interests" (Interview 48). Developers are important because they are able to form ad-hoc coalitions when pushing for certain issues (Interview 45) and "they get things done" (Interview 61).

Locational Policies Agenda

Ottawa's locational policies agenda seeks to increase the value of its property tax base and to attract funds from higher-tier governments. In terms of the former, the city hall plays an especially active role in Ottawa's Downtown because of the high prices in this area. Property taxes comprise 47 % of the local revenue. As a consequence, the city hall seeks to ensure low commercial vacancy rates by cooperating with side locators, offering tax incentives for renovating Downtown real estate, and prioritizing permissions for Downtown real estate renovations in a fast-track procedure (Interviews: 44, 46 & 55). The strong role developers' play in the urban governance arrangement fuels this development-oriented strategy. Developers are able to advance certain development projects in a quick and non-bureaucratic manner (Interviews: 45 & 61). Higher-tier public funds account for a quarter of local revenue. There are ample opportunities to request public funds because many higher-tier governmental funds compensate the low tax autonomy of Canadian local governments.

The Hague

In the Middle Ages, The Hague served as a neutral meeting place, a site for negotiations, and a venue for arbitration for the powerful Dutch city-states (van Krieken and McKay 2005, p. 3).

Its historic role made Prince Maurice, in 1585, to place the Dutch political and judicial organizations there. However, Amsterdam is the official capital city of the Netherlands because during the French occupation of the Netherlands (1806-1813), Napoleon Bonaparte and his brother, King Louis, preferred to settle in Amsterdam. After the withdrawal of Napoleon in 1813, Dutch decision makers returned the seat of government to The Hague but left Amsterdam with capital city status.

Local Autonomy

The Netherlands is a decentralized unitary state with a strong central government. Its provinces are the least powerful level of the Dutch political system. Since the 1980s, the policy responsibilities of the municipalities have been extended (Andeweg and Irwin 2014, pp. 212-214). Dutch municipalities deliver public services in many policy areas, such as social assistance, public housing, education, and cultural activities. Central government funds largely finance these services. The Hague does not face additional constraints due to its capital city function and the Dutch political system does not offer compensation payments to its capital city.

Dutch municipalities have low local tax autonomy. The local level only raises 3.6 % of all Dutch taxes (OECD 2014). Thus, Dutch local governments rely heavily on central government funds. Local governments have three main sources of income: (1) local taxes (mainly on property) and local user fees, (2) unconditional government grants, and (3) conditional government grants (Dersken and Schaap 2010). This low local tax autonomy manifests itself in The Hague's budget (see Table 6). Local taxes comprise 4 % of the budget. Property taxes constitute 3.2 % of the budget, and other taxes (such as dog or tourist taxes) comprise another 1 % of the budget. Consequently, unconditional government grants (about 45 % of the budget) and conditional government grants (about 18 % of the budget) are important for sustaining the budget of The Hague.

Table 6: Local revenue composition of the city of The Hague

Budgetary Items	**Euro (EUR) in Millions**	**Percentage (%)**
Property tax	80.50	3.23
Other local taxes	24.70	0.99
Unconditional government grants	1,129.60	45.31
Conditional government grants	455.80	18.28
Other income (user fees, interests, dividends, and leases)	802.60	32.19
Total	2,493.20	100

Source: City of The Hague (2014, 242–44). Outlook data for 2015.

Urban Governance Arrangement

The Hague's urban governance arrangement be described as corporatist. This means that private interest groups and the government have a relationship that is based on exchange and cooperation rather than on competition. In Dutch policy-making, employer organizations, labor unions, and governmental entities cooperate to address issues in a consensus-based, non-institutionalized, and non-confrontational way (Andeweg and Irwin 2014). The local level reproduces this corporatist tradition. In The Hague, the economic agenda is discussed in institutionalized meetings in the so-called Administrative Consultations for Economic Affairs (*Bestuurlijk Overleg Economische Zaken*), which consists of members of labor unions, employer organizations, and the city (Interviews: 34 & 35).

Locational Policies Agenda

The Hague aims to attract higher-tier governmental funds and focuses on the development of real estate and infrastructure. Vertical money transfers comprise 64 % of The Hague's local revenue and attracting economic development funds is thus of special importance to its locational policies agenda. For example, the Dutch Ministry of Economic Affairs' top sector program provides funding for The Hague's cluster organization in cyber security sector, called The Hague Security Delta (Interviews: 25 & 41). Given the importance of these funds, the city of The Hague employs specialists entrusted with the task of tapping into various public funding opportunities (Interviews: 40 & 42). As a second priority, The Hague focuses on the development of modern real estate projects because property tax is the only important locally raised tax. For example, The Hague invests a great deal into its Central Business District (Interview 42). Local government officials explain that "all Dutch municipalities largely focus on developing its physical infrastructure (…) It can be explained with the locally raised real estate taxes" (Interview 25). An expert mentions, in a somewhat sarcastic manner, that real estate development "is all that local governments do in the Netherlands" (Interview 32).

Washington D.C.

The establishment of a new U.S. capital city along the Potomac River was an intentional move to insulate the federal government from the influence of states and commercial centers (Ghandi et al. 2009, p. 271). D.C. is a planned city founded in 1791 and initiated as the U.S. capital in 1800. The U.S. Constitution does not specify the location of the District. Gilliland (2013) argues that the decision to move the U.S. capital to its current location was a compromise between Northern states, who succeeded in having their war debts nationalized, and Southern states, who extracted the capital from the influence of Pennsylvanian Northerners.[3] It was President George Washington who finally decided on the exact location of the proposed District, and he chose an area close to his own home in Mount Vernon, Virginia (Gilliland 2013, p. 35).

Local Autonomy

The governing structure of Washington D.C. is described as Home Rule under Congressional supervision (Nagel 2013a). A non-voting member in the U.S. House of Representatives is the only representative of District residents. Congress can influence the District's policy-making by either blocking spending on particular budgetary items or by directly vetoing D.C. laws (Nagel 2013a, pp. 64–65). Congress has used this power extensively (Fauntroy 2003; Nagel 2013a, p. 71). Interview partners consider congressional oversight to be highly controversial, especially with regard to D.C.'s current policy initiatives, such as legalizing abortion and the consumption of marihuana, establishing a needle exchange program, and tightening fire arms regulations (Interviews: 75, 79, 81, 84 & 88). Congress has made use of its "authority over locally generated funds as a means to enact its own legislative provision through so-called 'social riders' (…). These 'social riders' specifically impact District policy, however, they actually reflect broader political debates" (Ghandi et al. 2009, p. 279). The federal administration can further intervene in local matters via The National Capital Planning Commission (NCPC), which represents interests over federal land and buildings.

D.C. bears the responsibility of a state, as well as that of a county, a city, and a school district (Ghandi et al. 2009, p. 265). In comparison to states, the Home Rule Act of 1973 diminishes D.C.'s personal income tax base by prohibiting it from levying the so-called Commuter Tax on the income of non-residents that work in the District. Non-residents earn two thirds of income in the District (Ghandi et al. 2009, pp. 279–280), which would have accounted for an additional US$ 2.26 billion in tax revenue in 2005 (Yilmaz 2009). Furthermore, the tax on currently tax-exempt properties would have accounted for an additional tax revenue of about US$ 540 million in 2005 (Yilmaz 2009). The District does not receive payments-in-lieu-of-taxes for most of its federal and foreign properties (Ghandi et al. 2009, p. 280). Overall, D.C.'s constrained tax autonomy creates a structural income deficit, which is seen as a reason for its historically high taxes (Interviews: 69 & 89; O'Cleireacain 1997, pp. 6–10).

Table 7 shows D.C.'s revenue composition. The 28 % of federal governmental transfers stems from the fact that the district has the same responsibilities as different levels of government, such as state, county, city, and school district. This percentage would be significantly higher if the US$ 1.3 billion annual compensation payment would be reflected in the budget (Nagel 2013a, p. 65). Taxes raise 44 % of the budget. Property tax, sales and gross receipt tax, and personal income tax account for more or less the same percentage of revenue.

Table 7: Local revenue composition in the city of Washington D.C.

Budgetary item	**United States Dollars (US$) in Millions**	**Percentage (%)**
Federal governmental transfers	3,982	28.26
Property tax	1,970	13.98
Sales and gross receipt tax	1,511	10.72
Individual income tax	1,641	11.64
Corporate income tax	453	3.21
Other taxes	605	4.30
Charges, utility revenue and miscellaneous revenue	3,931	27.89
Total	14,093	100

Source: United States Census Bureau, (2015): State and Local Government Finance, data from 2013.

Urban Governance Arrangement

Public officials, business actors, leaders of non-profit organizations, and developers all engage in an intense, non-institutionalized discussion of locational policies. Business communities in the District are well organized and business organizations have access to local public leaders via their own networks and not via institutionalized access channels (Interviews: 71, 77, 90). In the case of big infrastructure projects (e.g. the renovation of Union Station or the construction of the Convention center), business organizations activate their networks to accelerate these development projects and to ensure their funding (Interview 69). Different business organizations in the District meet each other informally and sporadically in order to find common ground and to share their priorities (Interview 87). Most of these business organizations also hire lobbyists that represent their interests. Thus, business interests in D.C. are well heard despite their lack of institutional access to public leaders (Interview 75).

Interview partners do not describe the urban governance arrangement as a typical urban regime (Interviews: 75, 77, 88 & 90). The absence of a strong industry in D.C. makes developers very influential in District politics (Interviews: 69, 80 & 82). Thus, an expert calls the urban governance arrangement “rather a growth machine type than an urban regime. It applies more, because D.C. has no industries, but it has land to develop” (Interview 88).

Locational Policies Agenda

D.C. follows a tax maximization and a development-oriented locational policies agenda. The development of neighborhoods and large infrastructure projects aim to lure wealthy tax payers into the District in order to increase the personal income tax base (Interviews: 73, 84 & 86; Hyra and Prince 2016; Sturtevant 2013). The District government increasingly focuses on so-called place-based development that aims to transform neighborhoods into areas that have a high quality of life by incentivizing the establishment of small retail businesses and cultural institutions, as well as improving schools, and lowering crime rates. An economic development agent explains:

> Our major success was to invest in place. We invested in neighborhoods, transportation infrastructure, retail opportunities, schools, and libraries to make D.C. more attractive for talent. (…) To invest in place is our key narrative that we are telling. D.C. is viewed as a talent attractor. D.C. did a great job and now we have to be careful how we avoid the bad symptoms of gentrifications such as unaffordability of housing and real estate. (Interview 73).

However, most of the District’s current economic development strategy focuses on real estate development (Interview 84). The District’s 5 Year Economic Development Strategy, which aims to generate 100,000 additional jobs, exemplifies this focus since the strategy expects that more than half of the jobs (55,000) will be created in the real estate and construction sectors (The District of Columbia 2012, p. 12). The district transfers brown fields and underused facilities to developers (Interview 91). The interplay between the D.C. administration and developers enables this development-oriented locational policies agenda (Interviews: 80, 86 & 88).

Furthermore, D.C. asks for federal compensation payments due to its capital city specific constraints. Since the Home Rule Act of 1973, which implicitly acknowledges the unique fiscal role of the District, the D.C. administration has sought to increase federal compensation payments (Ghandi et al. 2009, p. 274). For example, the Revitalization Act of 1997 increased federal payments from around US$ 660 million to US$ 1.3 billion annually. Since the turn of the millennium, D.C. has lobbied for US$ one billion in federal dollars to help fund the modernization of its outdated infrastructure (Interviews: 79, 81, 88 & 90). In these negotiations with the federal level, D.C. decision makers explicitly refer to its capital city status. A local lobbyist explains:

> We launched the discussions for the new infrastructure deal because the Obama administration came into power. We thought the Clinton administration gave us the Revitalization Act, the Bush administration gave us some land that we could develop and so we can also give the Obama administration a choice to improve the District. The commuter tax was always the elephant in the room over the years because every state can do that and because it is a lot of money given the number of commuters. We thought we are probably not getting the commuter tax, but we can negotiate a compensation for it. (Interview 81)

Comparing and explaining locational policies agendas

The cross-case comparison reveals that governing structures of capital cities, local tax autonomy, and urban governance arrangements are relevant for explaining locational policies agendas. However, the effects of these explanatory factors on locational policies vary in terms of their strength and magnitude (see Table 8).

Table 8: Summary of case studies

Case	Locational Policies Agendas	Explanatory Factors
Bern	- Increasing personal income tax base by investing in quality of life	- High local tax autonomy
Ottawa	- Increasing property tax base by supporting development projects - Attracting higher-tier governmental funds - Asking for compensation payments	- Low local tax autonomy and developers - Low local tax autonomy - Capital city specific local autonomy constraints
The Hague	- Attracting higher-tier governmental funds - Increasing the property tax base by supporting development projects	- Low local tax autonomy - Low local tax autonomy
Washington D.C.	- Increasing tax bases by place-based neighborhood development and large-scale development projects - Asking for compensation payments	- High local tax autonomy and developers - Capital city specific local autonomy constraints

Governing Structures of Capital Cities

The governing structures of capital cities can explain whether or not SCCs request compensation payments. In the context of SCCs, compensation payments are seen as locational policies because they are important for financing capital cities and these payments are subject to intense negotiations between local governments and relevant national organizations (Kaufmann 2018). Of the four SCCs analyzed, Ottawa and D.C. ask for compensation payments. In both North American capitals, local autonomy is constrained by an agency that represents interests over federal land. In D.C., local autonomy constraints are more profound, to the extreme that the Congress has de facto oversight over local policy-making. In neither of the two European SCCs does a national land-use agency exist, nor is there a mechanism for an actor from the federal level to intervene in local policy-making.

The comparison suggests that a city's status prior to its selection as capital is important for explaining its capital city specific constraints. Both European SCCs exercised important functions within their national urban systems at the time they were chosen as capitals. For this reason, it seems unlikely that Bern or The Hague would have accepted local autonomy cutbacks brought along by capital city status. In contrast, the two North American capitals were built from scratch, or were primarily developed to serve as the capital. Thus, it is important to differentiate between *purpose-built capitals* and *purposely-selected capitals* when studying the local autonomy of SCCs. This distinction enriches the existing threefold categorization proposed by Rowat (1973) (see second section of the article).

Local Tax Autonomy

The priorities of locational policies agendas (in Table 8) are mirrored in the revenue categories of the local budgets (see Table 9). The importance of the individual revenue categories can be explained by local tax autonomy. Local governments exhibit a strong functional orientation towards increasing their most important revenue sources via the formulation of locational policies. In Bern, personal income tax comprises 42 % of local revenue, which explains its strong focus on increasing the city's quality of life in order to attract wealthy residents. In Ottawa, property tax comprises 47 % of local revenue, thereby explaining its focus on development projects and its efforts to maintain real estate values. In The Hague, governmental transfers account for 64 % of local revenue. This explains The Hague's activities that attract governmental economic development funds. D.C. pursues a mix of locational policy instruments, which its rather diversified budget mirrors.

Table 9: Local revenue comparison of the four SCCs

Budgetary items	**Bern (%)**	**Ottawa (%)**	**The Hague (%)**	**Washington, D.C. (%)**
Property tax	2.63	47.08	3.23	13.98
Personal income tax	42.47	-	-	11.64
Corporate income tax	9.92	-	-	3.21
Other taxes	4.05	0.00	0.99	15.02
Governmental transfers	15.26	18.74	63.59	28.26
Payments in lieu of taxes	-	6.21	-	-
User fees, assets, and miscellaneous revenue	25.67	27.97	32.19	27.89
Total	100	100	100	100

Sources are listed in the case studies

All in all, local tax autonomy is a game changer for locational policies agendas. Differences in local tax autonomy lead to different opportunity structures for how local governments can raise funds. These different opportunity structures yield two ideal types of locational policies agendas. One is that low local tax autonomy encourages a *development and public funds* locational policies agenda, which is found in Ottawa and The Hague. In these cases, local governments prioritize infrastructure and real estate development in order to boost the property tax base, which is the major independently-raised source of local revenue. Higher-tier government entities compensate for this low local tax autonomy by offering various public funds. In contrast, high local tax autonomy leads to a *tax maximization* locational policies agenda. The focus of these kinds of agendas is to maximize the revenue from the multiple tax instruments at hand. This ideal type of locational policies agendas, found in Bern and D.C., aims to reap the benefit of its locational policies activities in the form of various tax revenues. Since personal income tax is the most important revenue category for municipalities in the Swiss tax system, Bern seeks to boost its personal income tax base. Similarly, the importance of the property tax and the personal income tax for D.C. leads to a focus on place-based development and infrastructure development.

Urban Governance Arrangements

The cross-case comparison reveals the important role that *local governments* and *developers* play in the urban governance arrangements of SCCs. The central role of local governments somewhat contrasts with the assumptions of the 'social production model' At the time of Stone's study of Atlanta (1946-1988), business elites provided crucial resources, such as money, land, and technical expertise, whereas the local government provided political legitimacy. With the exception of D.C., local governments are the central players in urban governance arrangements in these four SCCs, and business elites are largely missing. While in Bern public actors exploit this position in order to exercise a dominant role, city administrations in The Hague and Ottawa operate in an integrative and coordinative manner and ensure interaction with local private actors. In general, business actors in SCCs are unable to provide the variety of resources described in the urban regime theory (Lambelet 2017; Stone 1989; 1993). In their essence, SCCs are government cities that lack an industrial tradition. In such a context, a resource-rich, and thus powerful, business elite was not able to develop. Although knowledge-intensive and highly regulated economic sectors are important for the economy of SCCs, such 'ed and med' firms and organizations do not engage in city politics as a collective force (Stone 2015, p. 111). Local governments are able to occupy such a central position because business actors are largely absent. Therefore, local governments are in a position to lead these urban governance arrangements.

Only in the two North American SCCs do powerful business actors exist, namely developers. In the two European SCCs, developers do not have the same leverage over local politics. The locational policies agenda of The Hague also focuses on land and real estate development; however, developers do not facilitate these activities. This begs the question: Why are developers important in North American cities but not in European ones?

First, business elites and local public actors are generally more entangled in North American contexts than in Continental Europe (e.g. DiGaetano and Klemanski 1999; Pierre 2005, 2014). In the European context, private actors' institutionalized access to urban politics keep them in check to a certain degree. As the case of The Hague exemplifies: developers were important in the construction of the Central Business District, but they do not influence locational policy formulation because it is the competence of the institutionalized Administrative Consultations for Economic Affairs. Second, cities were at the forefront of territorial expansion as centers of trade and commerce in the North American settler countries (Judd and Swanstrom 2015, pp. 3–4). In these cases, developers satisfied the demand for urban development. Third, property taxation is more important in former British Empire countries when compared to other OECD countries (Brülhart, Bucovetsky, and Schmidheiny 2015, pp. 1138–1139). This importance of property taxation, in combination with the strong role of developers, seem to explain the development-oriented locational policies agenda in the two North American capitals. Thus, national tax systems seem to influence urban governance arrangements.

Conclusion

This article combines classic urban politics theories of local autonomy and urban governance under the framework of multilevel governance in order to analyze the variety of locational policies that secondary capital cities (SCCs) formulate. SCCs are government cities that are pressured to enter globalized interurban competition without possessing a competitive political economy. The article compares locational policies agendas of four SCCs, namely Bern, Ottawa, The Hague, and Washington D.C. The cross-case comparison reveals that SCCs are prone to pursue a development-oriented locational policies agenda and that three factors can explain the locational policy agendas in SCCs.

First, local autonomy restrictions, such as nation state oversight over land or city budgets, are more common in purpose-built capitals (such as Ottawa and Washington, D.C.) than in purposely-selected capitals (such as Bern and The Hague). These capital city specific local autonomy constraints allow purpose-built capitals to request compensation payments. This distinction between purpose-built capitals and purposely-selected capitals also seems to be relevant when studying other SCCs. For example, in purpose-built Brasilia, national government funds compensate for tax-exempt property. In addition, the Brazilian capital receives about 7 % of its annual budget from national government subsidies that are meant to compensate for capital city burdens (Wolman et al. 2007, p. 16). Pretoria, on the other hand, was purposely selected as the host of the South African administration. Pretoria does not have to cope with any local autonomy constraints, and it does not demand capital city specific compensation payments (Steytler 2009).

Second, local tax autonomy is a real game changer for locational policies agendas. Decision makers in all four cities share the rationale of wanting to be competitive in globalized interurban competition, i.e. a neoliberal rationale (Weaver 2018), and they feel pressured by economic globalization. Locational policies are formulated as a reaction to these capitalistic pressures. The actual locational policies devised in the different SCCs vary, and this is mainly due to the national tax system. Low local tax autonomy leads to a locational policies agenda that prioritizes infrastructure and real estate development in order to boost the property tax base and that is dependent on higher-tier governmental grants. High local tax autonomy leads to a locational policies agenda that focuses on the maximization of tax revenue from the multiple tax instruments at hand. Thus, national tax systems are highly relevant when studying comparative urban economic policy because cities must raise funds to sustain and expand their budget. This article buttresses the importance of institutions for explaining policy variations in comparative urban economic development research (see for example Kaufmann 2018; Peterson 1981; Savitch and Kantor 2002; Weaver 2016).

Third, local governments are central actors in SCCs' urban governance arrangements. SCCs are government cities that lack an industrial history. In the two North American SCCs, local governments and developers join together in urban governance arrangements. The two North American capital cities possess a growth-machine type of urban governance (Logan and Molotch 1987; Molotch 1976). Such a growth machine was able to thrive in a specific context, i.e. SCCs' absence of an industrial tradition, the development-orientation of North American cities, and the primacy of the property tax. Developers seem to fill the vacuum resulting from the absence of private actors. Thus, urban governance arrangements in SCCs are distinctive, but they may also be found in other cities where private actors are not very influential. The urban politics literature discusses similar regime descriptions, such as the government-led pro-growth regime (DiGaetano and Klemanski 1999) and the local-statist regime (Imbroscio 1998). Government-led arrangements may become more important in future because the growing 'ed and med' sectors do not seem to be very interested in engaging in city politics as a collective force (Stone 2015).

This article reveals that locational policy agendas in SCCs do not seem to be qualitatively different from other cities with regard to their adherence to the rationale of being competitive and with regard to the importance of tax systems for the configuration of their locational policies. What I found to be rather specific about locational policy agendas in SCCs is that they heavily rely on the physical development of their city. For sure, physical development is a locational policy priority in many cities worldwide, but this reliance on physical development is very intense in SCCs because of capital city specific tax constraints and path-dependent urban power structures in which developers assume a powerful role. Thus, the specific political economy of SCCs triggers this development orientation of locational policy agendas in SCCs. This also seems to be true for other SCCs. For example, Canberra focuses on developing its infrastructure and justifies this locational policies agenda with its capital city status: "[G]iven the ACT's [Australian Capital Territory] lack of manufacturing and resources such as mining and agriculture revenues, planning efficiency and land development are more economically significant in the ACT than in any other Australian jurisdiction" (ACT Government 2008, p. 4). This development focus fuels gentrification and segregation tendencies, as demonstrated in two recent books about Washington, D.C. (Hyra and Prince 2016; Hyra 2017) and in an edited volume about European capital cities (Tammaru et al. 2015).

Given the specific political economy of SCCs, the reliance on physical development can not just be altered by a realignment of locational policy priorities. However, it is possible to derive several strategies from the case studies that could help to minimize the reliance on physical development. First, nation states may better support their capital cities by providing them with more financial resources or by easing some of their capital city specific local autonomy constraints. This would acknowledge the special situation of SCCs and alleviate some pressures caused by interurban competition. Second, local governments in SCCs may invest in economic sectors where capital cities have a competitive advantage. These include highly-regulated and knowledge-intensive sectors, such as medical technology, cyber security, or sustainable energy (Mayer et al. 2016, 2018). This would allow SCCs to raise funds beyond physical development. Third, the case of Bern shows that direct democratic instruments provide city residents with an institutional veto to object large-scale development projects. This may induce local policy makers to find alternative locational policy strategies and to be more sensitive about residential interests. Finally, and most radically, place-based development, as in the case of Washington, D.C., could be accompanied by place-based ownership models of corporations, houses, or land (Imbroscio, Williamson and Alperovitz 2003; Imbrosciso 2013). This would more securely anchor investments in the city and it may provide a mechanism through which to counter gentrification.

Notes

1. Page and Goldsmith (1987, 5–7) recommend a fourfold classification of local autonomy for use in comparative studies. In addition to the constitutional status and the degree of financial and fiscal autonomy, they propose an analysis of the different kinds and ranges of services and functions that local governments must perform and the discretion local governments possess in determining how they want to perform these service and functions.
2. There are ten SCCs in the 34 OECD countries: Canberra, Australia; Ottawa, Canada; Berlin, Germany; Jerusalem, Israel; Rome, Italy, The Hague, The Netherlands; Wellington, New Zealand; Bern, Switzerland; Ankara, Turkey; Washington, D.C., United States.
3. See Gilligan (2013, 34-35) for a discussion of other explanations of why the new capital city was established on the Potomac River.

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Author biography

David Kaufmann is a postdoctoral researcher at the *KPM* Center for Public Management, University of Bern, Switzerland. He is specialized in policy studies with a focus on urban policies and migration policies. A more in-depth study of secondary capital cities is published in the book *Varieties of Capital Cities: The Competitiveness Challenge for Secondary Capital Cities* (Edward Elgar Publishing, 2018).

Appendix

Table A1: Anonymized list of interview partners

Interview number	City	Role	Relevant affiliation(s)
1	Bern	Private actor/Interest group representative	Partner and lawyer
2	Bern	Private actor/Interest group representative	Swiss bank Swiss Post
3	Bern	Public official	City of Bern
4	Bern	Public official	National politician Mayor of a Swiss city
5	Bern	Private actor/Interest group representative	Local firm National politician
6	Bern	Economic development agent	Canton of Bern
7	Bern	Private actor/Interest group representative	International firm Employer Association canton of Bern Chamber of Commerce of the canton of Bern
8	Bern	Expert	University of Bern,
9	Bern	Private actor/Interest group representative	Swiss Venture Club Venture capitalist
10	Bern	Public official	Canton of Bern
11	Bern	Public official	Municipality of Köniz
12	Bern	Public official	Federal Office for Spatial Development
	Bern	Public official	Federal Office for Spatial Development
13	Bern	Private actor/Interest group representative	National Politician Ex-member, City Council of Bern
14	Bern	Economic development agent	Economic Area of Bern (*Bern Wirtschaftsraum*)
15	Bern	Private actor/Interest group representative	Local firm
16	Bern	Expert	Journalist and author
17	Bern	Economic development agent	Capital Region Switzerland
18	Bern	Public official	Mayor of a Swiss City National politician
19	Bern	Expert	Consultant
20	The Hague	Public official	City of The Hague
21	The Hague	Private actor/Interest group representative	Entrepreneur
22	The Hague	Expert	Leiden University
23	The Hague	Economic development agent	The Hague Security Delta
24	The Hague	Private actor/Interest group representative	International firm
25	The Hague	Public official	City of The Hague
	The Hague	Public official	City of The Hague
26	The Hague	Expert	The Hague University of Applied Sciences
27	The Hague	Public official	City of The Hague
28	The Hague	Private actor/Interest group representative	Lawyer and partner
	The Hague	Private actor/Interest group representative	Lawyer and partner Erasmus University Rotterdam
29	The Hague	Public official	Dutch Ministry of Foreign Affairs

30	The Hague	Economic development agent	West-Holland Foreign Investment Agency
31	The Hague	Economic development agent	InnovationQuarter
32	The Hague	Expert	Delft University of Technology
33	The Hague	Public official	City of The Hague
34	The Hague	Expert	Consultant
35	The Hague	Private actor/Interest group representative	Chamber of Commerce of Southwest Holland
36	The Hague	Expert	Centre for Innovation, Leiden University
37	The Hague	Public official	Dutch Ministry of Economic Affairs
38	The Hague	Public official	Province South Holland
39	The Hague	Private actor/Interest group representative	NGO
40	The Hague	Public official	City of The Hague
41	The Hague	Expert	Consultant
	The Hague	Expert	Consultant
42	The Hague	Public official	City of The Hague
	The Hague	Public official	City of The Hague
43	The Hague	Economic development agent	Metropolitan Region Rotterdam The Hague
	The Hague	Economic development agent	Metropolitan Region Rotterdam The Hague
44	Ottawa	Public official	City of Ottawa
45	Ottawa	Private actor/Interest group representative	Developer
46	Ottawa	Expert	University of Ottawa
47	Ottawa	Expert	Forum of Federations
48	Ottawa	Expert	Ministry of Foreign Affairs
49	Ottawa	Economic development agent	Ottawa Centre for Research and Innovation
50	Ottawa	Private actor/Interest group representative	Ottawa Chamber of Commerce
51	Ottawa	Economic development agent	Ontario Centres of Excellence
52	Ottawa	Public official	National Capital Commission
53	Ottawa	Public official	Ottawa 2017 Bureau
54	Ottawa	Public official	National Capital Commission
55	Ottawa	Economic development agent	Invest Ottawa
56	Ottawa	Public official	FedDev Ontario
57	Ottawa	Private actor/Interest group representative	Gatineau Chamber of Commerce
58	Ottawa	Expert	University of Ottawa
59	Ottawa	Private actor/Interest group representative	Alcatel-Lucent Invest Ottawa
60	Ottawa	Economic development agent	Information and Communications Technology Council
61	Ottawa	Private actor/Interest group representative	Kanata North Business Association
62	Ottawa	Economic development agent	Développement économique – CLD Gatineau
	Ottawa	Economic development agent	Ville de Gatineau
63	Ottawa	Economic development agent	Invest Ottawa
64	Ottawa	Private actor/Interest group representative	Startup Grind Ottawa Entrepreneur
65	Washington D.C.	Public official	Department of Homeland Security

66	Washington D.C.	Economic development agent	Metropolitan Washington Council of Governments
67	Washington D.C.	Economic development agent	Rockville Economic Development
68	Washington D.C.	Private actor/Interest group representative	Developer 2030 Business group
69	Washington D.C.	Private actor/Interest group representative	Federal City Council
70	Washington D.C.	Private actor/Interest group representative	Northern Virginia Technology Council
71	Washington D.C.	Expert	George Mason University
72	Washington D.C.	Economic development agent	Alexandria Economic Development Partnership, Inc.
	Washington D.C.	Economic development agent	Alexandria Economic Development Partnership, Inc.
73	Washington D.C.	Public official	District of Columbia, Office of Planning
74	Washington D.C.	Public official	National Capital Planning Commission
	Washington D.C.	Public official	National Capital Planning Commission
75	Washington D.C.	Private actor/Interest group representative	D.C. Fiscal Policy Institute
76	Washington D.C.	Private actor/Interest group representative	Venture capitalist
77	Washington D.C.	Public official	Washington D.C. Mayor's Office
78	Washington D.C.	Economic development agent	Arlington Economic Development
	Washington D.C.	Economic development agent	Arlington Economic Development
79	Washington D.C.	Expert	Brookings Institutions
80	Washington D.C.	Expert	Woodrow Wilson International Center
81	Washington D.C.	Expert	D.C. Appleseed Center for Law & Justice
82	Washington D.C.	Expert	George Washington University
83	Washington D.C.	Expert	Virginia Tech
84	Washington D.C.	Public official	U.S. Office of Community Planning and Development
85	Washington D.C.	Private actor/Interest group representative	Lawyer and Partner
86	Washington D.C.	Private actor/Interest group representative	Downtown D.C. Business Improvement District
87	Washington D.C.	Private actor/Interest group representative	Greater Washington Board of Trade
88	Washington D.C.	Expert	George Washington University
	Washington D.C.	Expert	George Washington University
89	Washington D.C.	Public official	District of Columbia Government, Office of Revenue Analysis
90	Washington D.C.	Public official	Washington D.C. Mayor's Office
91	Washington, D.C.	Public official	Congressional staffer