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PARTICIPATORY URBAN GOVERNANCE

*Practical Approaches, Regional Trends
and UMP Experiences*

Edgar Pieterse

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The Urban Management Programme (UMP) represents a major approach by the United Nations family of organisations, together with external support agencies (ESAs), to strengthen the contribution that cities and towns in developing countries make toward economic growth, social development and the alleviation of poverty. The programme seeks to develop and promote appropriate policies and tools for municipal finance and administration, land management, infrastructure management and environment management. Through a capacity-building component, the UMP plans to establish an effective partnership with national, regional and global networks and ESAs in applied research, dissemination of information and experiences of best practices and promising options.

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The views expressed in this publication are those of the authors and do not necessarily reflect the views of the UMP partner agencies, UNDP, UNCHS or the World Bank.

Foreword

This paper has been prepared for the Urban Management Programme, a joint undertaking of the United Nations Development Programme (UNDP), United Nations Centre for Human Settlements (UNCHS), and the World Bank. Initiated in 1986, the Urban Management Programme is one of the largest global technical assistance programmes in the urban sector. The programme was designed to strengthen the capacity of urban local governments and national governments to enhance the contribution that cities and towns in developing countries make toward development of their own human resources, including poverty reduction, the improvement of environmental conditions, improvement in local governance and the management of economic growth.

During Phase 3, (1997- 2001) the Urban Management Programme emphasis shifted to more decentralised and city specific activities. The principal activities of the programme have been the convening of “city consultations” and anchoring of the programme in nineteen institutions across the regions. As a part of the institutional anchoring strategies, the UMP regional offices have also moved to the regional anchor institutions in Quito (for the LAC region), in Bangkok (for Asia-Pacific), in Abidjan (for Africa), and in Cairo (for the Arab states). In addition, sub-regional offices in New Delhi (for South Asia) and Johannesburg (for Eastern and Southern Africa) have also been established. Through these regional offices and anchor institutions, more than 90 city consultations in 35 countries have been initiated.

Improved urban governance is one of the most important keys to success in making cities work, not only to address the challenge of urban poverty, but also to harness the opportunities that global economy provides. The city consultations initiated by the Urban Management Programme on the theme of governance have led to increased acceptance of participatory urban governance by the urban local governments and all the stakeholders in the city. UMP activities and priorities also make a strong contribution to the UNCHS (Habitat) Global Campaign for Good Urban Governance. The campaign theme – “inclusiveness” – relates to both the campaign’s vision and strategy. Participatory decision-making processes are an essential means to achieve the “Inclusive City”. This paper provides a practical overview of the various dimensions of participatory urban governance and the tools used in city consultations. It also contributes to the debate on the norms of good urban governance initiated by the campaign.

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Chapter 1: Introduction

City halls around the world are beginning to feel the effect of an unheralded revolution. New mayors with new policies are coming in. National governments are starting to loosen their grip. The result is a yeasty period of experimentation which may yet prove that the problems of cities can be overcome¹

This may be a somewhat optimistic reading for most city leaders all over the world, but it does manage to capture the dynamism of an emerging era in city management. This document is meant to stimulate and advance the ‘yeasty period of experimentation’ which is a necessary phase to develop innovative solutions to new and complex urban problems in both developed and developing countries.

City leaders and mayors can make an enormous difference to the preparedness of municipal governments to come to terms with their new role in a new context. This document presents an argument and puts forward a set of policy options that will assist mayors and leaders to engage with all urban stakeholders to find local solutions within a participatory governance framework. It throws open the challenge to all city leaders and municipalities to embrace the opportunity and prepare their cities for the 21 century.

1.1 THE CASE FOR CHANGE

The twin challenges of urbanisation and globalisation present an unmistakable opportunity for city governments to fundamentally rethink how they function and how they intend to develop their localities. A ‘business as usual’ approach is a recipe for disaster in the medium to long-term and will cause a collapse in the functioning of the core systems of cities and towns.

Cities are already experiencing the impact of these changes through the dramatic loss of anchor industries and niche commodity markets as global markets shape domestic fortunes as never before. Dramatic waves of migration, usually between urban conurbations within or between countries, are also reaching unparalleled proportions.

Telecommunication and physical infrastructure needs of potential foreign investors are presenting expensive demands on municipal governments hardly able to meet the needs of local residents.

It is particularly the speed of these change processes that is most daunting. It shows up the shortcomings of traditional approaches to urban management, which are simply incapable of coping with the speed and complexity of growing demands from both the private sector, which must function in a connected global economy, and the local citizenry, who need access to basic services to ameliorate their growing impoverishment and vulnerability.

The next chapter explores the specific dimensions of the urbanisation and globalisation processes and their likely impacts on cities.

Box 1: Urbanisation Trends

- In 2000, two-thirds of all urban dwellers will be living in Developing Countries (DC);
- Three-quarters of world-wide urban growth occurs in DC;
- In just twenty years, Latin America will be 81% urbanised, and Africa, 53% and Asia, 54%.
- By 2015, there will be 410 cities with populations over 5 million;
- However, the bulk of urban citizens live in small and medium-size cities (less than 5 million); at present 63.5% percent.

¹ The Economist, 1995, July 29:17

1.2 MANAGING CHANGE

The outstanding feature of change confronting cities is its **complexity**. Many factors contribute to dynamic change and it is almost impossible to isolate cause and effect relations. This suggests a more dynamic approach to managing change rather than the traditional understanding which entailed a control mentality. (For example, rural-urban migration was traditionally thought of as simply a problem of lack of economic opportunity in rural areas and the solution was increased rural investment and legal curtailment of movement. However, this failed to work because people migrated for a variety of reasons, not simply a lack of economic opportunities. A more appropriate response involves investment in urban areas to maximise the productive potential of urban growth.)

In practical terms, we propose that effective and lasting solutions to the myriad of urban problems can only be found in the act of collaboration and discussion between various urban stakeholders, ideally led by the city government/municipality. The concept of 'governance' enables us to understand this approach more deeply. This discussion document provides municipal practitioners with an understanding of what urban governance entails and how it can be used to improve the capability of municipalities and other urban actors to take control of urban change processes.

In essence, participatory urban governance is about effective interactive planning and decision-making processes (and mechanisms) to co-ordinate distinctive efforts of civil society, the private sector and the local state towards sustainable urban development.

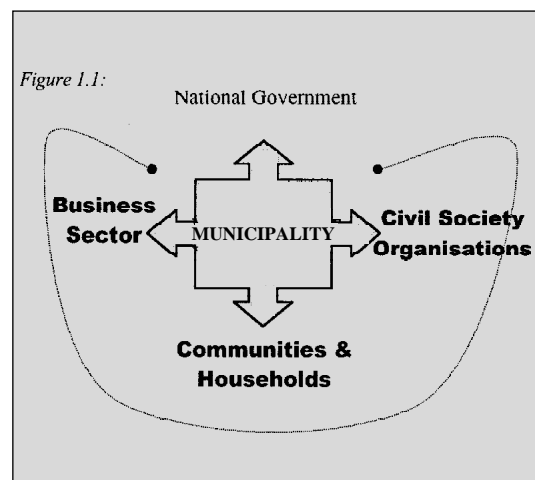
Municipalities are embedded in a national system of government and function through internal and external institutional relations. Therefore, to achieve effective co-ordination and joint decision-making processes, transformation is required at many levels. Given the inheritances of local government systems in all parts of the world, reform and change towards the establishment of participatory governance is required in all of the relational dimensions of municipal authorities (see figure 1.1). The specifics of change in all of these dimensions are unpacked in chapter three.

Practically, we will explore how city governments can **work better** through an informed approach to partnerships, internal reorganisation and effective community mobilization, especially of the urban poor. Partnerships will be explored in relation to the private sector, other tiers of government, parastatals, other municipalities and of course communities. Underpinning this package of approaches is a principled commitment to work in a more participatory manner to ensure widespread ownership, legitimacy and sustainability.

1.3 LEADERSHIP AND CHANGE

There are many reasons to oppose change and to maintain the status quo. For many leaders, maintaining the status quo is comfortable and does not threaten the interest of the powerful. However, as suggested earlier, this is a short-sighted approach and will disempower the city from coping with the pressures of rapid urban change and globalisation.

Evidence suggests that **the principal ingredient for success is visionary and strategic leadership**. Ideally, this should be spread across the state, civil society and the private sector. At a minimum, it should be evident in the local state and be systematically developed across society. The potential and success of participatory governance is dependent on a new form of leadership that operates on the basis of *sharing* power and advancing the collective interest of the city in the context of a more inter-dependent world.



It is with this in mind that this paper **seeks to provide a resource for city leaders, especially mayors, to champion participatory governance**. In chapters 3 to 5, city leaders can get a comprehensive overview of the different dimensions of governance and how to activate policies and strategies to deepen it. Our assumption is that almost everywhere mayors and community leaders are already hard at work to make their cities and towns more competitive and equitable but could benefit from practical information to add value to their ongoing efforts.

1.4 BENEFITS OF CHANGE

The agenda of participatory governance will only take root if municipalities and other urban stakeholders can appreciate the benefits that will result from it. The approach to participatory urban governance advocated in this paper will result in **multiple benefits for the city as a whole and the country in general** since cities account for the bulk of gross national product in almost all countries.

Participatory governance can lead to the establishment of a **balanced and sustainable development path** for the city. It can also strengthen financial stability as an outflow of expanded tax bases and rising living standards.

In political terms, participatory governance can **enhance stability and confidence** in the municipal government as the legitimacy of the municipality grows through joint decision-making mechanisms and greater transparency.

Institutionally, participatory governance can stimulate **greater efficiency and innovation** as departments are compelled to become more responsive to citizen needs and seek solutions in partnership with communities and the private sector. This ties in with stimulating greater community ownership, non-monetary contributions to development processes and direct involvement in maintaining infrastructural investments.

In broader social terms, participatory governance will **strengthen social cohesion and inclusivity**. This is an essential precondition to address growing social problems such as urban violence, street children, police brutality, and so forth.

1.5 CHAPTER OUTLINE

Chapter 2 unpacks the conceptual strands that underpin the working definition of participatory urban governance. The purpose of the chapter is to present a working definition of urban governance drawn from the experiences of Urban Management Programme and distinguished from other approaches.

Chapter 3 considers the different dimensions (national, urban and municipal) of participatory governance in concrete terms. It provides a practical overview of the specific dimensions of governance to enable local stakeholders to identify how they compare with the framework. In other words, this chapter is a hands-on tool that can stimulate debate and discussion at the local level and help reach consensus on which aspects of urban governance are weak and need to be strengthened.

Chapter 4 outlines significant regional trends based on the regional division used in the Urban Management Programme (UMP) —Asia, Latin America, Africa and Arab States. It describes ten real-life case studies, largely drawn from the experiential pool of UMP, to demonstrate how participatory governance initiatives can lead to improved outcomes in terms of overall city management and concrete service delivery. It also provides some insight into difficulties of institutionalising participatory governance mechanisms. The intention is to reflect the rich diversity between and within regions and identify the general agenda for reform to strengthen participatory governance. A set of generic lessons is extrapolated for the benefit of global learning.

Chapter 5 considers tools for implementation and mainstreaming of participatory governance at the city level. A substantial section of this chapter is devoted to participatory tools and how these can complement broader processes of deepening participatory governance. The idea is to present a menu of options that municipalities can draw from based on their local conditions and the relative strengths and weaknesses of local stakeholders. In conclusion, we draw out some implications for institutionalising participatory governance and taking the debate and learning forward through the work of UMP.

Chapter 2: The Relevance of Participatory Governance

Urban policies pursued to date seem behind the times with regard to the globalisation of the economy and of technology as against the localisation of society and culture. Municipal governments are often overtaken by events occurring in spheres that are beyond their control. Hence the essential step for redefining the instrument of urban management is analysing the technological, economic, cultural and institutional processes that underpin the transformation of cities (Jorgi Borja & Manuel Castells).

2.1 INTRODUCTION

The challenge confronting city governments is more daunting than ever. In many parts of the world, the new globalising economy is associated with seemingly increasing social inequalities resulting in greater numbers of people living in poverty and increasingly higher levels of environmental degradation. In certain regions, it is also resulting in higher levels of unemployment, reinforcing criminal informality, social violence and corruption. These trends put undue strain on already over-extended infrastructure and service delivery capacity. In a climate of fiscal austerity it further means that city governments must find solutions to these problems with fewer resources and more and more un-funded responsibilities. This chapter explores the conceptual tools available to deal with these trends, by exploring the concept of governance in relation to the broader imperatives of urban management.

In essence, **urban governance is about effective collaborative planning, decision-making processes (and mechanisms) and implementation to co-ordinate distinctive efforts of the local government, civil society organisations and the private sector towards the progressive attainment of sustainable urban development and local democracy.** (A fuller discussion on the conceptual underpinnings of this statement is explored below.)

To fully appreciate the weight and ramifications of this general statement, we will briefly explore why and how the role of city governments are changing and just what difference effective, democratic and responsive local government can make in altering the fortunes of cities and towns. First, a number of clarifications about the scope and purpose of this discussion paper is necessary.

This paper is based on the mission and experience of the Urban Management

Box 2.1: Approaches to Governance:

World Bank: Good governance is epitomised by predictable, open, and enlightened policy making (that is, transparent processes); a bureaucracy imbued with a professional ethos; an executive arm accountable for its actions; a strong civil society participating in public affairs; and all behaving under the rule of law.

UNDP: Governance can be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate differences. Good governance is, amongst other things, participatory, transparent and accountable. Good governance ensures that political, social and economic priorities are based on a broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocations of development resources.

Habitat: Good governance can be defined by how well a population, its representatives and agents, identify and deal with major social, economic and environmental issues that stand in the way of improved quality of life for all citizens. Urban governance can be defined as an efficient and effective response to urban problems by democratically elected and accountable local governments working in partnership with civil society.

Programme (UMP).² The UMP is a joint worldwide program between the UNDP, World Bank and UNCHS (Habitat). UNCHS has itself undergone significant restructuring, which is impacting on the work of UMP. The re-focused UNCHS has launched two significant global campaigns, one on secure tenure and the other on urban governance. The latter campaign—‘Global Campaign for Good Urban Governance’—promotes good urban governance by linking operational and normative activities and focussing on the promotion of inclusiveness.³ This paper echoes the thrust of the campaign.

In a recent policy document, the renewed strategic vision of Habitat was articulated: ‘The challenge lies in focusing on the social dimensions of this urban poverty, in designing new strategies and approaches in the management of urban areas, as well as proposing innovative methods to address the physical environment and infrastructure, including strategies that can be measured by the reduction of urban poverty. These policies and strategies should be captured in the programmes and projects implemented by the organisation.’⁴

It is the UMP mandate to promote effective urban management practices and to contribute to the broader Habitat agenda to foster participatory urban governance that leads to greater inclusiveness in cities. This is why we are exploring the notion of governance from an urban and participatory angle. This document further explains why and how the presented definition of urban governance differs from current policy perspectives on good governance, which often refer to the national or global scale. In recent times, the World Bank has taken up the notion of governance in its work on corruption and promoting clean government. UNDP in turn advances a discussion on governance with a bias towards reforming national policy frameworks and institutional behaviour to advance human development. Box 2.1⁵ provides a summary of the contrasting and complementary perspectives of these agencies.

2.2 RAPIDLY CHANGING URBAN CONTEXTS

Urbanisation trends

We are living in the midst of the most dramatic demographic shifts the world has ever experienced. The history of humanity is largely defined by a rural context. Only fifty years ago, only 30% of the world was urbanised; thirty years later, the figure was up to 39% and by 2000, it will be 47.5%.⁶ This dramatic growth is unprecedented in human history. As we enter the next century, this level of urbanisation will rise to 56.7% within two decades, with all of the urban growth in Developing Countries. Tangibly, it represents an increase of 1.5 billion people between 2000-2025.⁷ Most of the urban growth is a result of natural population increase and the structural transformation of formerly rural areas on the periphery of urban areas. Less than half of urban growth is a result of rural-to-urban migration.⁸

² The Urban Management Programme is a major initiative of the UN family of organisations and other external support agencies, with the objective of strengthening the contribution that cities and towns in developing countries make toward human development including economic growth, social development and the alleviation of poverty. Phase 3 of the UMP concentrates on the three thematic areas of poverty eradication, environmental improvement and participatory governance, and will implement these themes through 1) capacity-building at both the country and regional levels, 2) facilitating national and municipal dialogue on policy and programme options based on a participatory structure that draws upon the strengths of developing country experts and expedites the dissemination of that expertise at the local, national, regional and global levels, and 3) facilitating the implementation of specific development proposal as a follow-up to country and city consultations. <<http://www.unchs.org/unchs/english/ump/ump.htm>>

³ See: UNCHS (Habitat) 2000. ‘The Global Campaign for Good Urban Governance’, Draft 4A, Nairobi.

⁴ UNCHS (Habitat). 1999. ‘A Strategic Vision for Habitat: Discussion and Recommendations.’ Nairobi.

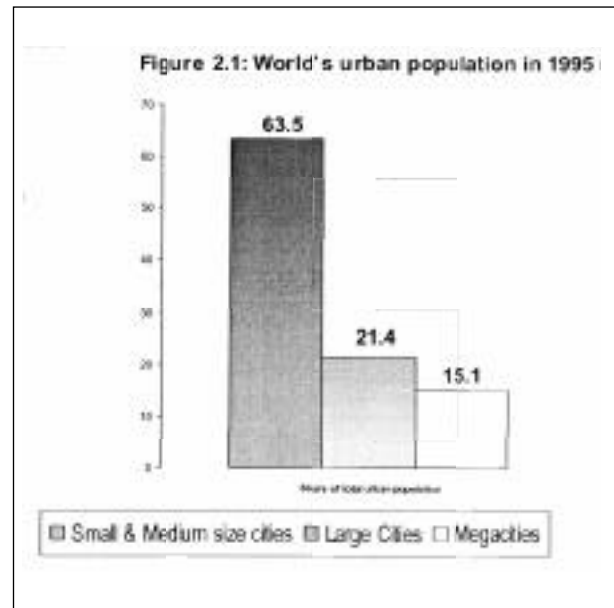
⁵ Sources used for compiling box 2.1 are: UNCHS (Habitat) 2000. ‘The Global Campaign for Good Urban Governance’, Draft 4A, Nairobi; UNDP. 1997. ‘Good Governance and Sustainable Human Development.’ UNDP: New York.; World Bank. 1994. *Governance: The World Bank’s Experience*. Washington D.C.: World Bank.

⁶ UNCHS (Habitat). 1999. ‘Basic facts on Urbanisation’, Nairobi.

⁷ UNCHS (Habitat). 1999. ‘State of the World’s Cities.’ Nairobi. Available at: <http://www.unchs.org/unchs/english/stateofcities/stateofcities.htm> World Bank. 1999. *Entering the 21 Century. World Development Report 1999/2000*. Oxford: Oxford University Press.

⁸ World Bank. 1999. ‘A Strategic View of Urban and Local Government Issues: Implication for the Bank.’ October draft, Urban Development Division.

However, significant regional differences continue to define worldwide urbanisation trends. Latin America continues to be the most urbanised region, with almost 76% of its population already urbanised, and an anticipated 81% by 2020. Significantly, in Latin America there is now a deconcentration process whereby people are migrating from Megacities (+5 million) to large (1-5 million) and medium-sized (0.5-1 million) cities. Figure 2.1⁹ provides a graphic illustration of the world's population dispersal in different size cities. In Asia we see the most profound population concentrations as almost half of the total world urban population is in this region. It is anticipated that by 2020, 54% of Asia will be urbanised. Sub-Saharan Africa will also experience a dramatic reversal of demographic trends. Africa will cut through the rural-urban divide by 2015 and be 53% urbanised by 2020.¹⁰ However, Africa is also been the one region that has been characterised by dramatic urbanisation and almost no economic growth. According to the World Bank, Africa is singular in having a negative correlation between urbanisation and per capita income, even compared to poor countries and economies with low growth rates in other regions of the world.¹¹



Large cities will become more characteristic in all parts of the Developing World. The number of large cities has increased from 80 in 1950 to 365 in 2000. It will increase up to 410 by 2015.¹² This trend is intimately connected to the changing nature of national and global economies and the increasing importance of agglomeration that larger cities provide.

Of concern here are the long-term effects of these dramatic patterns of continued urbanisation, especially in the Developing World. A number of recent worldwide reports have identified a range of impacts.¹³ In summary, the most important ones include the following:

- a. The worsening of access to shelter, let alone security of tenure, resulting in severe over-crowding, homelessness and environmental health problems;
- b. Growing backlogs in service delivery to urban citizens as demand outstrips institutional capacity, financial resources and environmental carrying capacity;
- c. Growing inequality in cities, manifested in stark residential segregation, increasing violence impacting disproportionately on women, the poor, and more generally intensifying poverty; and
- d. Lopsided economic growth, displayed in the simultaneous evolution of high-end investments to attract foreign investment and an expanding informal economy with extremely bad labour conditions, resulted in a small elite with vast wealth and a large urban population effectively constituting the 'working poor', often moving between formal and informal economies.

⁹ World Bank. 1999. *Entering the 21 Century. World Development Report 1999/2000*. Oxford: Oxford University Press, p. 128.

¹⁰ McCarney, P. 1999. 'Disjunctures, Divides, and Disconnects: The Promise of Local government in Development.' Unpublished paper.

¹¹ World Bank. 1999. *Entering the 21 Century. World Development Report 1999/2000*. Oxford: Oxford University Press, p. 130.

¹² UNCHS (Habitat). 1999. 'Basic facts on Urbanisation', Nairobi.

¹³ Cohen, et al. (eds.) 1996. *Preparing for the Urban Future. Global Pressures and local Forces*. Washington: Woodrow Wilson Centre. Borja, J. & Castells, M. 1997. *Local and Global. The Management of Cities in the Information Age*. London: Earthscan & Habitat.; UNCHS (Habitat). 1996. *An Urbanizing World. Global Report on Human Settlements*. Oxford: Oxford University Press.; World Bank. 1999. *Entering the 21 Century. World Development Report 1999/2000*. Oxford: Oxford University Press.

These trends manifest on top of already strained capacity and weak institutional capability. Most cities are struggling to meet the diverse needs of their citizens due to administrative inefficiencies linked to limited financial resources and powers, unresponsive customer practices, limited planning capacity, limited technical skills and weak managerial leadership. However, what makes the issues even more daunting is the parallel and overlapping multi-dimensional process of globalisation. To fully appreciate the dimensions of the urban challenge in the 21 century, it is necessary to briefly explore how globalisation will impact on cities and raise the stakes in urban management.

Globalisation & cities

Economies turn on the technologies, available and emerging, for their robustness. Economies are dependent on *places* to function, grow and organise their various dimensions. The world, in asymmetrical ways, is undergoing a structural change in the technologies that propel economies. The structural change is the shift from industrial manufacturing to knowledge-based production of goods and services, made possible by so-called information technologies. The technological revolution is based on information technologies, which include microelectronics, computer science, telecommunications, and increasingly also genetic engineering.¹⁴ Entirely new (developed in the last 10 years) products and services dominate the global market place today and represent the fastest growing sectors in national economies. The upward pressure of these companies has been mainly responsible for the buoyancy of the United States economy over the last 8-10 years, despite worldwide recession and outright economic collapse in South-East Asia during 1997/8. A defining characteristic of the ongoing explosion and refinement of these technologies is the phenomenal speed of invention and innovation. These processes of technological innovation and the restructuring of economic production processes profoundly entangle cities and towns. The question is, how and why?

In the most recent Human Development Report (HDR), the UNDP explains globalisation in the following terms:

Globalisation, a dominant force in the 20th century's last decade, is shaping a new era of interaction amongst national economies and people. It is increasing the contacts between people across national boundaries—in economy, in technology, in culture and in governance. But it is also fragmenting production processes, labour markets, political entities and societies. So, while globalisation has positive, innovative, dynamic aspects—it also has negative, disruptive, marginalizing aspects. [...] Globalisation is not new, but the present era has distinctive features. Shrinking space, shrinking time and disappearing borders are linking people's [and territories] more deeply, more intensely, than ever before.¹⁵

A major recent empirical study on the dimensions and scope of globalisation concludes that a 'critical feature of globalisation is new lines and forms of stratification between places, people and groups.'¹⁶ In particular it is manifested in much greater income inequalities between the knowledge workers who drive the 'new economy' and workers who continue to perform 'traditional' jobs in manufacturing and at the lower end of the service sector. Income inequality tends to manifest in spatial patterns in cities reflected in high-tech security enclaves for the wealthy and increasing insecurity for poor urban citizens. The growth in inequality and poverty in the wake of globalisation is echoed in the studies of Cerfe and UNCHS on urban impacts of globalisation¹⁷, the World Bank *World Development Report 1999/2000*, and the UNDP *Human Development Report 1999*, and suggests that policy responses need to factor this into the process of formulating policy and management responses.

¹⁴ Borja, J. & Castells, M. 1997. *Local and Global. The Management of Cities in the Information Age*. London: Earthscan & Habitat.

¹⁵ UNDP. 1999. *Human Development Report 1999*. Oxford: Oxford University Press. pp. 1 and 25.

¹⁶ This assertion is meticulously argued in a recent book on the various dimensions of globalisation. See: Held, D. et al. 1999. *Global Transformation. Politics, Economics, Culture*. Stanford: Stanford University Press.

¹⁷ UNCHS & CERFE, 1995. "Review of Current Global Trends in Economic and Social Development." Final Report. Rome, October 1995.

For now, the catastrophe is that most urban governments do not have the legal, financial or planning powers to effectively deal with these trends. This is particularly acute in countries and cities that are experiencing the 'negative, disruptive, marginalising' aspects of these processes. In the case of certain parts of Latin America this is fuelling a backlash amongst civil society organisations who reject the globalisation agenda and the impact it has on their daily lives in terms job losses, informalisation of work, reduction in provision of services by the state, etc. It is critical to keep this dimension of the issue in mind when we explore city responses to globalisation processes.

A distinctive feature of especially the economic dimension of globalisation is the increased importance of place in the fast growing sectors of the economy, e.g. service sector, knowledge industries and also for new division of labour in manufacturing processes. In particular, cities are useful because they provide agglomeration benefits. Agglomeration increases the productivity of a wide-ranging number of economic activities in urban areas. Essentially, agglomeration allows firms to experience the benefits of both economics of scale and scope. 'Economies of scope emerge when the presence of one activity makes carrying out a complementary activity cheaper by fostering diversity in supply and specialisation amongst firms.'¹⁸

Economies of scope allow companies to produce highly individualised commodities, with a short product-life cycle, which can be marketed and distributed on virtually a worldwide scale. For this to work, the firms need to be located in places with excellent infrastructures in terms of telecommunications, transport, cultural industries (marketing and entertainment) and information. These characteristics and requirements of globally competitive firms have resulted in the dramatic decline of traditional manufacturing cities, which relied on mass production of single commodities, and the rise of new fast growing city-regions. The other growth centres are the large urban conurbations where the new economic services, especially those related to financial markets, are rooted. These large urban areas are studied and dubbed by Saskia Sassen as 'global cities'.

The flipside of these dramatic shifts is that a select number of countries, cities and regions have greatly benefited from these processes, but a great number have been on the verge of being destroyed in terms of jobs and economic positioning¹⁹. Economic globalisation in particular is fundamentally unequal. Borja and Castells eloquently capture the inherent unequal nature of economic globalisation: 'What characterises the new global economy is its extraordinarily—and simultaneously—inclusive and exclusive nature. It includes anything that creates value and is valued, anywhere in the world. It excludes what is devalued and undervalued. It is once a dynamic, expansive system and a system that segregates and excludes social sectors, territories and countries.'²⁰

At the meeting of the Commission on Human Settlements in March 1999, the Executive Director of UNCHS captured the impact of globalisation on cities in the following terms:

Surveying the impacts of global trends on urban areas as a whole, three general messages emerge. The first concerns the increased speed, diversity and extent of the processes of change that are affecting cities. Seen from within, cities seem to be becoming more heterogeneous, decentralised and characterised by autonomous and diversified cultural, economic and decisional poles. Externally, cities appear to be included in a complex of interactions that must somehow be absorbed, metabolised and exploited at the local level. Not only is the size of cities changing, but so is their physical and social structure, and also their relationship with the surrounding regions, as well as with distant territories.²¹

¹⁸ World Bank. 1999. *Entering the 21 Century. World Development Report 1999/2000*. Oxford: Oxford University Press, p. 127.

¹⁹ Borja, J & Castells, M. 1997. *Local and Global. The Management of Cities in the Information Age*. London: Earthscan & Habitat.

²⁰ Borja, J. & Castells, M. 1997. *Local and Global. The Management of Cities in the Information Age*. London: Earthscan & Habitat, p. 9. The same trends are captured in: UNDP, 1999. *Human Development Report 1999*. Oxford: Oxford University Press.

²¹ UNCHS (Habitat). 1999. 'State of the World's Cities: 1999.' Nairobi.

It is beyond the scope of this discussion paper to fully explore the implications of globalisation for cities. Instead, we restrict ourselves to mentioning a few critical policy implications, particularly from an urban management vantage point.

- Globalisation highlights the need for a **pro-active** economic role for municipal authorities, which involves a gamut of new responsibilities to be carried out in conjunction with other economic actors. These policy issues are most comprehensively captured in the ongoing policy debates on Local Economic Development (LED) strategies. However, municipalities will quickly learn that LED cannot be explored outside a holistic development framework that addresses poverty, environmental sustainability and social equity, which includes gender equity.
- Globalisation suggests a much more intelligent or **knowledge-based approach to urban management**. Municipalities must govern on the basis of continuous and rigorous analysis about how external forces and processes are reshaping local economies and social processes. Management, planning, administration and monitoring systems need to be transformed to maximise the value of close to 'real-time' information, which will ensure maximum adaptiveness. This can only be achieved effectively in close collaboration with organised business interests and civil society organisations, which advance the interests of the informal sector and home-based enterprises.
- Globalisation drives home the fact that municipalities can **no longer afford to ignore the 'real urban processes' in their cities**. The reality in most African, Latin America and South Asian cities is that the bulk of urban services, employment opportunities and social support is provided outside of formal state programs and institutions. As Patricia McCarney observes, 'the majority of urban dwellers have not been and are not being absorbed by the formal city—its spatial, economic, political and social infrastructures.'²² These processes are exacerbated as these cities lose mainstay industries and jobs as a consequence of the global reorganisation of production and labour. Managing the deepening of informalisation requires radically different approaches to urban planning, service provision and economic development strategies.
- In the absence of effective new rules and regulations to circumscribe the new economies to ensure a balance between competitiveness and social equity, globalisation will **continue to worsen inequalities** between countries and cities, and especially within them, i.e. along race, caste, gender or class lines. This requires an informed response from cities that have to carve out local strategies around social inclusion to manage these trends.

Decentralisation

Decentralisation of power and authority from central to regional and local authorities is an important foundation in improving the capability of municipal authorities to deal with the new and complex challenges thrown up by urbanisation and globalisation. In part, it serves the need of local leaders to gain access to more regulatory and co-ordination levers for strategic intervention in local processes. In another, possibly more important sense, decentralisation addresses the need of citizens and their associations to have greater self-determination and influence at the levels of government closest to them. In the recent policy parlance of the World Bank, this process that has been termed 'localisation'.²³

²² McCarney, P. 1999. 'Disjunctures, Divides, and Disconnects: The Promise of Local government in Development.' Unpublished paper.

²³ Chapter 5 provides a useful overview of the recent global experience in introducing decentralisation measures, with an eye on recommending national and local policy options to improve the effectiveness of decentralisation. See: World Bank. 1999. *Entering the 21 Century. World Development Report 1999/2000*. Oxford: Oxford University Press.

In reality, however, most municipal governments continue to be constrained by local government policy/legislative frameworks of their central governments, which limit their autonomy and, consequently, their power to proactively manage the new challenges facing them. In many countries, decentralisation initiatives are pursued half-heartedly, resulting in weak policies and usually very little fiscal autonomy for local government. (These issues are explored further in Chapter 3).

An important part of understanding the mixed track record of decentralisation is to recognise the wide range of decentralisation approaches and analyse the power relations (between central and local and within the local) that inevitably underpin them. In a recent survey, James Manor distinguishes between administrative decentralisation/deconcentration, fiscal decentralisation and democratic decentralisation.²⁴ Democratic decentralisation refers to reform processes whereby powers (especially fiscal powers), and functions are transferred to sub-national political entities, which in turn have real autonomy in specific instances.²⁵ The process of decentralisation is democratic if it unfolds in the context of some form of election, whether it is direct or indirect.²⁶

In Developing Countries the trend has been to mainly opt for administrative deconcentration, i.e. central government devolving offices, staff and certain functions to decentralised offices without any devolution of financial resources or taxation powers. In this case, central government retains its authority but pursues more efficient administrative arrangements. The ideal is to implement a decentralisation programme that focuses on all three dimensions—administrative, fiscal and the political system.

Evidence suggests that ‘successful decentralisation improves the efficiency and responsiveness of the public sector while accommodating potentially explosive political forces.’²⁷ The host of challenges outlined before suggests strongly that by definition, municipal governments will have to become key actors in the process of negotiating and steering the opportunities and threats that arise from globalisation, along with the host of ongoing local problems such as slums areas without basic services, ineffective public transport systems, etc. At the same time, the growth in civil society activism and the inescapable need to involve people in their own development solutions suggest that municipalities will have to become much more responsive to ‘real’ needs and work collaboratively to address these issues. However, this must not happen in a manner that ignores the needs and interests of least organised groups, such as women. The art of municipal governance will increasingly revolve around the capacity to work in partnerships and through multiple networks of mutual benefit.

Democratic decentralisation is an important component of the urban management process because of its benefits. Democratic decentralisation:²⁸

- Encourages political participation both in local elections and activities and opportunities in-between elections;
- Enhances ‘responsiveness’ of government institutions;
- Improves local government’s performance due to better information flow, which tends to improve the likelihood of success of programs;
- Improves productivity, e.g. it reduces absenteeism and lack of interest in doing work effectively, and;
- Tends to produce a decline in overall corruption, although the evidence is still patchy due to limited research.

²⁴ Manor, J. 1999. *The Political Economic of Democratic Decentralisation*. Washington DC: The World Bank.

²⁵ UNCHS, 1996. *An Urbanizing World. Global Report on Human Settlements 1996*. Oxford: Oxford University Press.

²⁶ Manor, J. 1999. *The Political Economic of Democratic Decentralisation*. Washington DC: The World Bank.

²⁷ World Bank. 1999. *Entering the 21 Century. World Development Report 1999/2000*. Oxford: Oxford University Press, p. 107.

²⁸ Drawn from: Manor, J. 1995. ‘Democratic decentralisation in Africa and Asia’, in *IDS Bulletin*, Vol. 26(2): 81-88; Manor, J. 1999. *The Political Economic of Democratic Decentralisation*. Washington DC: The World Bank.

The Bottom-line

Up to this point we have argued that profound structural changes are fundamentally changing the very nature of cities—in terms of size, scale, economic fortunes and position and level of connectivity to other places, both nationally and internationally. The burden is falling increasingly on city governments to interpret and manage these changes. A cursory glance at the management challenges explored before suggests that the future of cities will increasingly depend on the quality of strategic leadership and management, in concert with all urban stakeholders, that cities achieve.

A recent worldwide study, under the aegis of Department for International Development (DFID) of the UK government, looked at the experience and prospects for addressing third world urban problems, especially poverty, through an urban governance lens. The case studies and literature review pointed to the following policy directions if municipalities want to be successful in achieving sustainable and equitable urban development:

- Encourage pro-poor urban economic growth without harming rural development while meeting environmental sustainability goals;
- Provide support to the livelihood strategies of the poor and ensure social inclusion, especially of women and other marginalised sectors;
- Provide the most important services in a cost-effective, affordable, equitable and environmentally sustainable manner;
- Improve the living conditions of the poor by reducing the environmental risks to which they are exposed; and
- Develop responsive, equitable and effective governance arrangements.²⁹

These urban management challenges require bold leadership, an enabling policy environment at central and local government levels, and most important of all, a radical transformation in the way municipalities conduct their business, in terms of institutions and systems. In other words, **success will only be achieved if municipal governments catch up with what these new urbanisation and development processes mean for their territories and reinvent their institutions to be geared for a more networked mode of governance—i.e. with central government, organised civil society actors, the business community, other municipalities and citizens.**

This is easier said than done, especially since the ingredients of successful leadership and management are by definition largely place-specific and subject to sufficient political will and commitment. Given the difficulties associated with transforming into a pro-active strategic municipal government, we will now elaborate a conceptual framework for activating strategic leadership and management.

2.3 PARTICIPATORY URBAN GOVERNANCE

The only viable path open to municipalities is to find new ways of working that draw on the resources, experience and capacity of various actors in the city to complement the capacity of the municipality. The governance conceptual lens is a tool to better understand what is involved in achieving this successfully.

²⁹Rakodi, C. 1999. 'An overview of the Research Issues.' Birmingham: Birmingham University. Urban Governance, Partnership and Poverty Theme Paper No. 4.

Defining Governance

Urban Governance is fundamentally about the nature, quality and purpose of the totality of relationships that link various institutional spheres—local state, civil society and the private sector—in urban areas. These relationships span formally structured/regulated dimensions and informal ones.³⁰

- The *nature of relationships* refers to the depth of inter-relationships between different institutional spheres, i.e. the level of engagement flowing between the state, civil society and the private sector.
- The *quality of the relationships* denotes features such as reciprocity, trust, and credibility. These characteristics are enhanced by dedicated mechanisms and opportunities to facilitate meaningful engagement. It also presumes distinctive and reasonably well-organised institutional spheres, i.e. civil society organisations (CSOs), the business sector and of course the local state itself. These spheres are distinctive, yet profoundly inter-dependent.
- The *purpose of the relationships* denotes that relations are continuously deepened through collaborative action to achieve widely shared social goals and robust engagement on areas of disagreement to work out the most efficient way of achieving higher-order objectives.

In this sense, governance is neutral and a constitutive part of urban space, in the same way as the natural and built environments. The assumption of this working definition is that there is no *a priori* morality to governance. It is therefore possible to locate all urban areas on a scale of poor governance to good governance. This is elaborated through the proposed normative framework of UNCHS for good urban governance. The framework suggests that good urban governance is characterised by sustainability, decentralisation, equity, efficiency, transparency and accountability, civic engagement and citizenship and security, and that these norms are interdependent and mutually reinforcing.³¹

Given the mission of UMP—to develop and creatively apply urban management knowledge in order to improve urban management—we seek to apply the concept of governance relations to the urban scale. We further draw on the emerging consensus on the basic elements of sustainable, integrated and effective urban development as crystallised in the Habitat Agenda. The Habitat Agenda advocates for the following:

Enabling structures that facilitate independent initiative and creativity and that encourage a wide range of partnerships, including partnership with the private sector, and within and between countries, should be promoted. Furthermore, empowering all people, especially those belonging to vulnerable and disadvantaged groups, in particular people living in poverty, to participate equally and effectively in all activities related to human settlements on the basis of civic engagement...³²

In view of this global consensus, we qualify good governance as **participatory governance**. The features of participatory governance can be summarised in the following manner:

- High levels of trust and reciprocity between urban actors, which are expressed through some form of a political contract which embodies political equality, tolerance and inclusiveness;
- Substantial accountability in the various decision-making forums, especially the political and public realms, expressed through active citizen influence and oversight, responsive and responsible leaderships, adherence by all stakeholders to the rule of law, and vitally, transparency in decision-making processes;

³⁰ This draws on the approaches of: Hyden, G. 1998. "Governance and Sustainable Livelihoods. Challenges and Opportunities", unpublished paper.; McCarney P, et al, 1995. "Towards an understanding of governance in urban research", in Stren *et al. Perspectives on the City*. Toronto: Centre for Urban & Community Studies, Vol. 4; Swilling, M. (ed.) *Governing Africa's Cities*. Johannesburg: Wits Press.

³¹ UNCHS (Habitat) 2000. 'The Global Campaign for Good Urban Governance', Draft 4A, Nairobi,

³² UNCHS (Habitat). 1996. *The Habitat Agenda. Goals, Principles, Commitments and Global Plan of Action*. Nairobi: UNCHS. Section I, par. 18.

- The continuous re-affirmation and deepening of legitimate authority, which is enhanced by a clear recognition of respective roles, responsibilities and forms of effective co-ordination,³³ and;
- A vibrant and active citizenry that engages with decision-making forums and processes through collective and individual means, irrespective of their gender, ethnicity or wealth.

Governance is clearly distinguishable from government, which denotes the exercise of direction, authority and control by the state. Governance pertains to the relations between the state and other institutional spheres—between the government and governed.

In the 1990s, there were profound changes in our understanding about appropriate and sustainable development paths for cities as opposing arguments about ‘competitiveness’ versus ‘redistributive development’ found some common ground around the notion of enablement.³⁴ This debate reflected the move away from pure ideological positions that either promoted ‘market enablement’ (privatisation) or only ‘community empowerment’. The new emphasis was more nuanced and stressed the importance of a strong state, dynamic private sector and autonomous and vocal civil society, working in a framework of human, social and environmental rights as promoted through international agreements and social action.

These conceptual shifts emerged out of the recognition that urban transformation must deal with a number of inter-related ‘intractable’ issues such as environmental degradation, violence against women and children, the HIV/Aids pandemic, deepening spatial apartheid between classes and social groups, deepening structural poverty and inequality. These complex problems defy simplistic, linear, one-size-fits-all solutions, and demand an iterative approach based on joint responses to multi-dimensional problems.

The qualities of participatory governance provide us with a template of the characteristics of urban municipalities if they are to become pro-active and successful agents in negotiating persistent change and complexity. Participatory governance as a conceptual framework also provides a basis to think about the institutional practicalities required to achieve an integrated and sustainable urban development agenda. It recognises that ‘...the urban agenda for improved liveability begins with reducing poverty and inequality. But it also includes creating a healthful urban environment, minimising crime and violence, establishing a civil protection system, and making services more accessible.’³⁵

In summary, participatory urban governance implies a fundamentally new approach to municipal decision-making processes and outcomes, organisation, management, and relationships towards the formulation of an integrated development approach (bringing together sustainability, equitable economic development, political voice, social justice and cultural freedom). It is an approach to urban management that is characterised by responsiveness, transparency and participation.

Related Concepts

The importance of the concept of governance is more fully appreciated if one considers recent developments in conceptual debates about achieving integrated and sustainable development. The 1980s were characterised by the simplistic assumption in much of the policy prescriptions around urban management that minimalist state intervention was most conducive to solve problems. However, as mentioned earlier, today there is growing convergence of ideas that one should not think about urban development in oppositional or one-dimensional ways. A fundamental prerequisite for effective engagement with new and old intractable development challenges is indeed a strong and purposeful local state, an autonomous and democratic civil society and a robust private

³³ See: Devas, N. 1999. ‘Who runs cities? The relationship between urban governance, service delivery and poverty’. Birmingham: Birmingham University. Urban Governance, Partnership and Poverty Theme Paper No. 4.

³⁴ Burgess, R., Carmona, M. & Kolstee, T. 1998. ‘Contemporary Policies for Enablement & Participation: A Critical Review’, in *The Challenge of Sustainable Cities*. London: Zed.

³⁵ World Bank. 1999. *Entering the 21 Century. World Development Report 1999/2000*. Oxford: Oxford University Press, p. 141.

sector committed to sustainable and equitable economic growth. The implications of this approach are radical, because it reverses much of what was promoted as 'good' urban management in the 1980s, particularly by the World Bank and other bilateral donor agencies.

However, the discussion up to this point can potentially be misinterpreted to mean that if all local stakeholders accept the virtues of a collaborative approach, they will achieve success. This would be an incorrect conclusion, because urban development and urban space is always about power—that is, power to control resources, to make certain decisions or prevent other ones, or most importantly, to silence the voice of certain actors. To operationalise the potential of participatory governance as an approach to municipal management, one requires a sober acknowledgement of various levels and dimensions of unequal power relations in the city. **The challenge is to use interpretative tools and policies that can acknowledge differential power relations, and also find ways of fostering collaborative action, which recognises explicitly the particular interests of each constituency.** We now explore four such concepts, social capital, synergy, enablement and empowerment.

Social Capital

Recent conceptual debates on the ingredients of success stories in local development processes have thrown up interesting ideas and areas for further research. The first of these is the concept of social capital. This concept is the focus of heated debate in the scholarly community at the moment, which we will not delve into here. A useful working definition describes social capital as 'the norms, trust, and reciprocity networks that facilitate mutually beneficial co-operation in a community; [...] an important asset [...] that reduces vulnerability and increases opportunities.'³⁶

Social capital as a concept has provided an important insight into the importance of autonomous, robust, well-organised associational networks amongst the citizenry to support economic growth, especially economic development based on information technologies. Secondly, it also contributes to the quality of democratic cultures, especially to the accountability of the state. Consequently, it legitimates the authority to access taxes, voluntary contributions and compliance with legislation and policy. Thirdly, well-developed stocks of social capital also increase the capacity of citizens and neighbours to survive unexpected shocks precipitated by environmental disasters, rapid economic decline or personal tragedy.

In relation to the third value of social capital, it is obviously an important auxiliary concept to help understand the quality and dimensions of the dramatic process of informalisation that is so characteristic in many third world cities. It is particularly useful in finding entry points as to how the (local) state can be supportive and enabling of these informalised systems of support, reciprocity and service provision. However, one should not ignore the negative side of social capital, i.e. gangs or extortion rackets. In other words, social capital is a really important concept to help policy makers and municipal practitioners to not assume that poor communities have nothing except needs that must be addressed. Instead, the concept helps municipal planners to understand that the poor and the informalised systems of service provision constitute a dense network of activity and the development plans of municipalities must find ways of augmenting these relations and not simply replace them. In this sense, social capital sensitises municipal planners to the everyday dynamics, relations, initiative and resources that they need to work with in operationalising governance with civil society organisations and poor households.

Synergy

The bulk of research on how community associations are fostered in third world contexts has operated from the assumption that the state has no role to play in fostering civil society organisations. In fact, the assumption

³⁶ Moser, C. 1996. Confronting Crisis. A Summary of Household Responses in Four Poor Communities.' *ESD Studies and Monographs Series*, No. 7, The World Bank. p. 14.

was that the state would only dilute the political autonomy and agenda of such associations, effectively defeating the possibility of robust engagements between the state and civil society. The long tradition of political science research on the functioning of clientalist local politics in third world cities would certainly reinforce such arguments. However, new research on the ingredients of success in areas where especially poor neighbourhoods (as opposed to middle-class ones) have managed to embark on sustainable development initiatives seem to point to new conclusions.

In particular, the synergy concept—between the state and civil society³⁷—captures this trend. Paul Evans explains that ‘the idea of “synergy” implies that civic engagement strengthens state institutions and effective state institutions create an environment in which civic engagement is more likely to thrive. The actions of public agencies help to forge norms of trust and networks of civic engagement amongst ordinary citizens and use these norms and networks for developmental ends. Engaged citizens are a source of discipline and information for public agencies, as well as being on-the-ground assistance in the implementation of public projects.’³⁸ In other words, successful development outcomes require a conscious policy decision on the part of the state to invest in and promote autonomous associational practices amongst citizens. This conclusion is backed-up by meticulous case study research in Taiwan, Brazil, Mexico and Ghana, amongst others.³⁹

Rebecca Abers has become an authoritative analyst on the success that has been achieved in Porto Alegre, Brazil in institutionalising a participatory budgeting process in the municipal government and how this has encouraged the formation and strengthening of autonomous community-based organisations. Her work demonstrates how conscious efforts on the part of the municipal government have indeed promoted the growth of community-based associations, and how these organisations have come to hold the municipal government accountable for investment decisions and budgetary decisions. This insight is an important qualification to the earlier discussion about the responsibility on municipalities to strengthen governance relations on the basis of the autonomy and interests of all urban stakeholders.

The full value of the synergy concept is that it helps us to shift our policy concerns away from conflictual dimensions of the relationships between civil society and the state, whilst simultaneously appreciating the symbiotic nature of such relationships. Sustainable development practices are usually found in societies and localities with very high levels of inter-penetration and collaboration.

Enablement

The thread in the Habitat Agenda adopted at Istanbul in 1996 is the notion of enablement. In many ways, it represented the mainstream acceptance that the old-style approach of the state ‘going it alone’ has become obsolete. New delivery models had to be explored which relied on the comparative expertise and strengths of non-state actors in the private sector and in civil society. This new discourse on enablement emerged from the neoliberal assertion in the 1980s, which argued vociferously for the withdrawal of the state from social service delivery because it stifled initiative and it was inefficient, uncompetitive, inflexible and unresponsive to demand signals. In policy terms, the neoliberal approach proposed that the state’s role in production, ownership, finance and marketing should be rolled back. Instead, government should only co-ordinate and facilitate market activity.⁴⁰

³⁷ We work with the definition of John Friedmann who defines civil society in the following way: ‘Civil society designates those social organisations, associations and institutions that exist beyond the sphere of direct supervision and control by the state. Civil society appears as one of four partially autonomous and overlapping spheres of action and valued social practices, and it can only be grasped in relation to this ensemble.’ The remainder of the ensemble is comprised of the state, the corporate economy and political community. ‘Central to the organisation of civil society, and the basis of all other forms of social organisation and collective action, is the household whose moral economy, like that of civil society as a whole, works primarily on the basis of reciprocity and trust, though compulsion is also part of it.’ See Friedmann, J. 1998. ‘The New Political Economy of Planning,’ in Douglas & Friedmann (eds.) *Cities for Citizens*. Chichester: John Wiley & Sons, pp. 21-23.

³⁸ Evans, P. 1996. ‘Introduction. Development Strategies across the Public-Private Divide’, in *World Development*, Vol. 24(6): 1034.

³⁹ See the special edition of the *World Development*, vol. 26(4), on ‘Development Strategies across the Public-Private Divide.’

⁴⁰ Burgess, R., Carmona, M. & Kolstee, T. 1998. ‘Contemporary Policies for Enablement & Participation: A Critical Review’, in *The Challenge of Sustainable Cities*. London: Zed.

This policy approach was typically reinforced at national levels by fiscal restructuring and austerity packages, which dramatically curtailed the investment and maintenance capacity of the state. At the local level, crude privatisation measures were introduced. This resulted in short-term financial gains, but led to dramatic inefficiencies from a developmental perspective because private sector service providers would simply cut-off service users who could not pay for continued access. These harsh decisions obviously caused new, unanticipated environmental health and social equity problems as many urban citizens, especially in third world cities, were incapable of paying for many basic services due to unemployment and a lack of education and skills. The biggest problem that this policy approach caused was that it provided a 'quick-fix' option for politicians who wanted to abdicate responsibility. Hindsight and experience demonstrate that this approach was crude, shortsighted and unsustainable. However, it did open policy thinking about the relational nature of the state and how the distinctive strengths of all social actors can be maximised towards shared objectives to achieve sustainable development.

The more recent and fruitful incarnation of the enablement policy approach has been the promotion of partnership-based institutional models to develop and implement urban development. A variety of partnership models are available to ensure efficient and effective service delivery within a clearly defined rights-based political framework, which protects the fundamental rights and entitlements of all citizens, especially the vulnerable, such as children.

Empowerment

Successful urban management will turn on the ability of municipal governments to forge a vision and strategy for their localities, which encompasses the diverse interests and perspectives of all key stakeholders, and will reflect a sober assessment about how the area will position itself in an unequal global marketplace and society. This can only be achieved in a climate of direct engagement and through the adoption of policies that promote the involvement of everyone, especially groups and interests that do not have access to resources, influence, opinion-makers and cultural mediums such as the mass media and radio stations. The onus will be on the municipal authority to create the policies and incentives for the interests and voice of these marginalised sectors to surface and grow in confidence. The insights derived from the social capital and synergy concepts can be of use in carrying out this responsibility.

This deliberate act of promoting the interest of marginalised constituencies is the essence of empowerment. In practical terms, it is best achieved by promoting and working with the associations of these constituencies and creating space for their input. In addition, it means establishing initiatives to make the various instruments of a participatory democracy work effectively and equitably—addressing the power asymmetries that characterise urban politics and social processes.

The seminal work of John Friedmann is particularly instructive on this theme. He argues that 'an alternative development involves a process of social and political empowerment whose long-term objective is to rebalance the structure of power in society by making state action more accountable, strengthening the powers of civil society in the management of its own affairs, and making corporate business more socially responsible. An alternative development insists on the primacy of the politics in the protections of people's interests, especially of the disempowered sectors, of women, and of future generations that are grounded in the life space of locality, region and nation.'⁴¹

⁴¹ Friedmann, J. 1992. *Empowerment. The Politics of Alternative Development*. Cambridge: Blackwell. p. 31.

2.4 MOVING FROM CONCEPTS TO ACTION

The purpose of this chapter was to clarify the concept of **participatory governance**, especially in the context of reflecting on the work of UMP, and what lessons we can draw out and popularise more widely. Concepts are important because they allow us to interpret reality and act on our interpretations. Concepts are also often elusive, which can lead to poorly defined action and unanticipated outcomes, often contrary to our original intent. This is in many ways the singular lesson that five decades of deliberate development interventions have taught the world community.

UMP is fundamentally about promoting innovation in urban management to ensure that appropriate and sustainable policy options are developed collectively by local actors. In particular, it promotes the role of municipal governments in finding solutions to the ever-growing problems that converge in third world cities as the world becomes predominantly urban in the next decade. At the heart of all innovation is a culture of learning, give-and-take and partnership. The fact is that the legacies of urban management, urban government, and local government policy militate against the realisation of innovation. These legacies must be deconstructed and replaced by new modes of thinking and action.

The most effective way of fostering these new cultures of innovation is a positive commitment to participatory governance. In practical terms, it coincides with the objectives of UMP and Habitat to promote:

- The establishment of democratic and effective municipal government (rules and procedures and products of governing);
- Empowered civil society organisations;
- Enabled private sector input; and
- Effective mechanisms for co-operative planning and co-governance.

The next chapter will explore in much greater detail the different elements of urban governance and how these can be strengthened individually and as a whole system.

Chapter 3: Dimensions of Participatory Governance

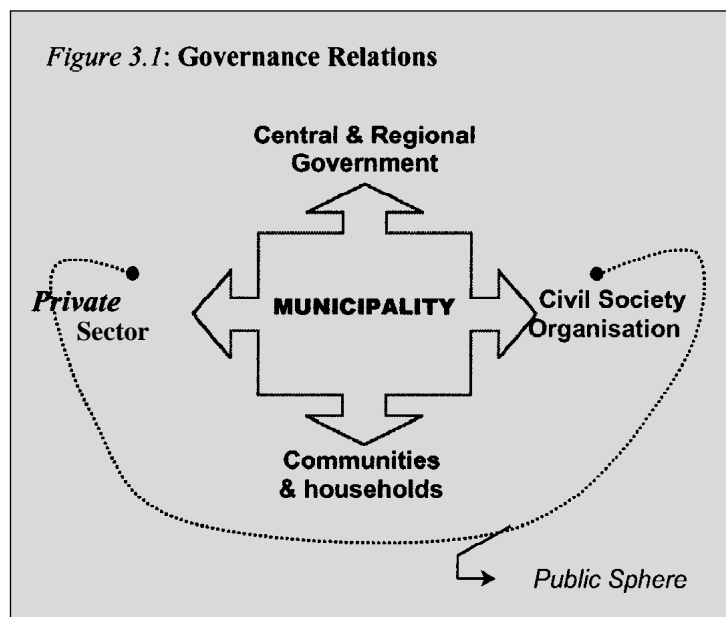
Thus, a movement, from all sides, towards a new development cooperation paradigm can be seen as one which is centred on advancing collective know-how rather than the provision of ready solutions, which accepts the fundamental necessity for a broad-based participatory approach, and which is founded on local experience worked out in practice.⁴²

3.1 INTRODUCTION

The purpose of this chapter is to provide a comprehensive overview of the different dimensions of urban governance with a view to catalysing action to improve the quality of urban management. Figure 3.1 provides a graphic depiction of the vertical and horizontal governance relations that municipalities participate in. Vertically, municipalities engage upwards with higher tiers of government and various state agencies such as utility companies and parastatals, and downwards with the communities and households (also see Figure 3.2 for multiple relations municipalities engage in). Horizontally, municipalities engage with other municipalities, local agencies of national ministries and parastatals, civil society organisations and the private sector. However, the most important relationship of municipalities is multi-directional, i.e. it is with the citizenry in the public sphere within which they live, work, enjoy and express themselves. The sum-total and quality of these relations is at the core of understanding urban governance and how to improve it.

Using our working definition of participatory governance as a starting point, we will seek to explore all of these relations that municipalities maintain and how they can be structured to maximise the value of participatory governance. By definition such interventions will be process oriented to ensure buy-in and commitment.

In this chapter, we identify three dimensions of governance to capture these relationships. The first dimension is the national scale and to what extent policy frameworks at this level promote or hinder participatory governance. Dimension two is at the urban scale and refers to instruments and frameworks that either promote or stifle participatory urban governance. The third dimension refers to the most local scale—the functioning of municipalities themselves. In relation to the functioning of municipalities, we distinguish between the internal and external dimensions of municipalities. The internal dimension refers to the institutional systems, structures and procedures. The external dimension refers to relations with civil society organisations, the private sector and the public sphere in general. The different elements in each of the three dimensions are summarised in table 3.1 below.



⁴² UNCHS (Habitat). 1999. 'Habitat's support to urban Governance – Habitat Presentation.' Delivered at the CHS 17 Round Table, 6 May 1999.

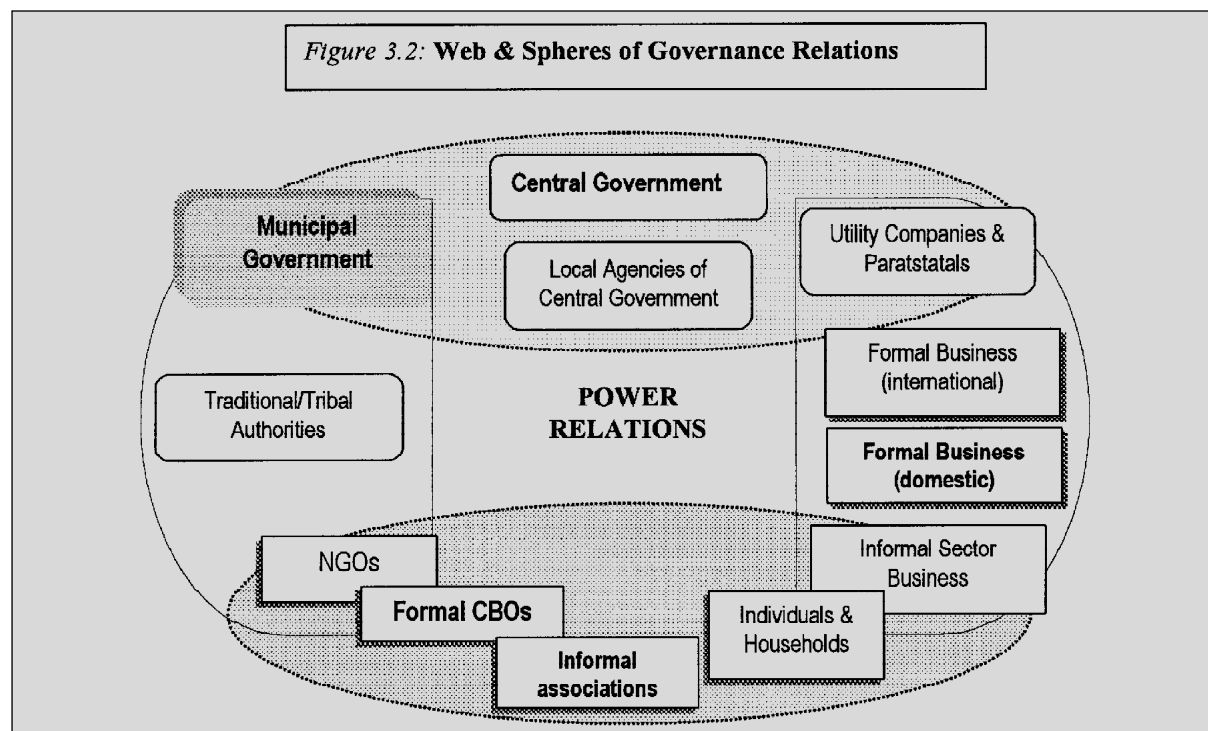
3.2 PRECONDITIONS FOR ACHIEVING PARTICIPATORY GOVERNANCE

The overwhelming trend towards decentralisation in almost every corner of the globe suggests that there is a general acceptance of the importance of moving power and control away from the centre to other points. Often this acceptance remains at the level of rhetoric with little evidence of practical action to support local government. However, decentralisation is approached and implemented in many different ways and substantive decentralisation has actually been rather limited and under-developed, even if the rhetoric is feverish.⁴³ Set against this mixed backdrop, it is necessary to emphasise that participatory governance is most likely to flourish in a context of significant decentralisation and democratisation. This underscores the importance of certain preconditions for promoting participatory governance.

The key preconditions for fostering participatory governance include the following aspects:

- political will amongst decision-makers at national, regional and local levels;
- enabling regulatory frameworks at national, regional and local spheres which stimulate and reward participatory decision-making processes between key stakeholders in the city;
- institutional reforms to strengthen governance capability within the municipality, building on national opportunity structures that arise from substantive decentralisation;
- clear incentive systems—sanctions and benefits—which allow for the normalisation and mainstreaming of participatory governance approaches to urban management;
- concrete plans to facilitate meaningful, inclusive and relevant participation, measure performance against jointly set targets, etc.; and
- an empowered citizenry.

The next section explores each of the interventions summarised on the right hand-side of table 3.1. The discussion is deliberately in the form of a menu of possible interventions, with the understanding that certain actions will make more sense in particular countries and localities given the dynamics of local context and the actual scope for reform and innovation.



⁴³ Crook, R. C. & Sverrisson, A.S. 1999. 'To what extent can decentralised forms of government enhance the development of pro-poor policies and improve poverty alleviation outcomes?', Prepared as part of the DFID Study on: www.dfid.gov.uk; Manor, J. 1995. 'Democratic decentralisation in Africa and Asia', in *IDS Bulletin*, Vol. 26(2): 81-88.

Table 3.1: Dimensions of participatory urban governance		
Scale of Policy Intervention	Examples of Interventions	
National Scale: Purpose is to enable participatory governance at local level through national regulatory frameworks	decentralisation framework democratisation programme capacity building framework legislative reform to decentralise authority and powers inter-governmental fiscal reform	
Urban Scale: Purpose is to create rules of engagement and incentives for urban stakeholders to take joint decisions and	collaborate reforming regulatory instruments, incentives, and structures that are jointly shaped by the local authority and powerful (well organised) urban actors institutionalising formal processes and mechanisms to deliberate, make decisions and ensure feedback to constituencies and the citizenry establish formal and productive working relations with other municipalities within the urban area through appropriate representative bodies	
Municipal Scale: a) Internal Administrative Dimension Purpose is to ensure that the internal structure, systems and communication reinforces a participatory governance approach in everything the municipality does	restructure political/administrative interface to enable strategic management and effective leadership institutional transformation to advance integrated service delivery financial reform to incentivise outcome-based/impact performance and facilitate greater community input performance management systems reform Human Resource Development systems to align with service delivery, transparency, responsiveness and impact-based approach introduce and/or refine monitoring procedures and indicator frameworks empower the frontline in the context of an area-based service delivery model that allow for direct citizen input and fostering community management systems develop policy frameworks to guide action on: participation, partnerships, and enablement of civil society	
b) External relations: Purpose is to foster open, strong and vibrant relations with organised stakeholders in civil society, the private sector and the citizenry as a whole, especially marginalised and vulnerable groups who do not have a voice	Civil society organisations	Foster meaningful participation through: involvement at policy and political levels (including elections); resource allocation processes; service delivery; and monitoring Foster community-municipal partnerships, especially around service delivery and poverty reduction Civic education to deepen citizenship
	Private sector	Foster strategic & mature partnerships Active involvement in local economic development strategies Promote corporate citizenship
	Public sphere	Transparency mechanisms, e.g. citizen scorecards, public access to municipal records, etc. Fostering responsiveness to citizens Deepen public awareness about municipal agenda through appropriate communication strategies

3.3 DIMENSIONS OF PARTICIPATORY GOVERNANCE

3.3.1 National scale

By definition, the scope and scale of local government autonomy is shaped by a dependency factor on regional and national tiers of government. This can easily serve as an excuse for local actors to simply wait passively for higher tiers of government to implement decentralisation measures. This is an error, because in all contexts, whether characterised by extensive or minimal local autonomy, municipalities can almost always do much more to foster participatory governance. Nonetheless, it is relevant to briefly summarise why and how national frameworks are important for the furtherance of participatory governance.

Role of National Government

International comparative research suggests that 'if higher authorities want decentralised institutions to achieve things, they must see that they have adequate resources and they must seek to ensure that elected councillors possess the powers to make bureaucrats accountable to them, and that councillors can be made accountable to

citizens.⁴⁴ Practically, this means that national government can promote democratic and participatory local governance by:

- implementing a comprehensive **decentralisation programme**, which involves the transfer of resources (taxation and allocation powers) and decision-making power over issues that matter to lower level authorities, which are either wholly or largely independent of central government. Ideally, the nature and extent of decentralisation should be rooted in legislation;
- promoting a **democratisation process**, which compels administrative officials to be accountable to elected officials even if they are sceptical about the capacity of political office bearers to carry out their political mandates. The democratisation framework should further compel political officials to be transparent in their decision-making and accountable to the citizenry for their actions. Thirdly, such a framework must encourage the active involvement of citizens and civil society formations in the planning, decision-making and implementation of municipal affairs to the extent that it does not erode the democratic authority of political office bearers. Lastly, a democratisation policy framework must provide an opportunity for local government as a collective actor to influence higher-level decision-making processes to facilitate inter-government dialogue and participation, especially in contexts where there is hardly any tradition of local autonomy. This could happen through national and regional associations, for example.

The track record of decentralisation and local democratisation initiatives in most Developing Countries over the last twenty years is patchy to say the least.⁴⁵ (The different trends in Arab States, Asia, Latin America and Sub-Saharan Africa are discussed in Chapter 4.) Experience suggests that decentralisation is doomed to fail, and will undermine participatory governance, if national government is not serious about making it work by instituting **legal reforms** and support programmes to ensure the devolution of powers (taxation) and functions to local institutions.

Dangers facing effective decentralisation

The biggest threat to decentralisation initiatives is the lack of resources at the disposal of municipalities to be effective in delivering new services to citizens. Inter-governmental fiscal reform is a necessary prerequisite for democratic decentralisation to succeed. In a context of fiscal squeeze and downward pressure on taxation instruments, most central governments are extremely reluctant to devolve sufficient fiscal powers to enable municipalities to deliver functions at the local level. This results in a vicious double jeopardy: with limited funding, municipalities are setup for failure. Yet, municipalities will initially require more resources to perform new functions, until enough experiences can result in efficiency savings. Without the initial investment, it is even more difficult for municipalities to learn how to provide a new service effectively and efficiently.

However, even if decentralisation is embedded in legislation and is accompanied by inter-governmental fiscal reform, there is still a danger of failure if the process is not supported by a comprehensive capacity building programme to equip administrative and elected officials to function responsibly with newly acquired powers and functions. Such capacity building programmes should cover a wide range of inputs to build institutional readiness and a skills-base to operate effectively. For example, in systems with limited local powers and autonomy, administrative officials often become the critical actors in making municipalities function efficiently. Decentralisation policies, especially in a democratic framework, tend to undermine their power-base and require administrative managers to work with elected leaders and accept their mandate as the final word.⁴⁶ The shift of power within local government institutions is a difficult process and can lead to a breakdown in communication if not handled properly. It is almost impossible to resolve such tensions in the absence of capacity building initiatives, which transfer new skills and capabilities to all of the actors involved.

⁴⁴ Manor, J. 1995. 'Democratic decentralisation in Africa and Asia', in *IDS Bulletin*, Vol. 26(2): p87.

⁴⁵ Crook, R. C. & Sverrisson, A.S. 1999. 'To what extent can decentralised forms of government enhance the development of pro-poor policies and improve poverty alleviation outcomes?', Prepared as part of the DFID Study on: www.dfid.gov.uk

National reforms catalyse local partnerships

In summary, central and regional government (in federal contexts) have a strong bearing on the scope of municipal authority and capacity at the local level. This impacts squarely on the possibilities for participatory governance arrangements. Participatory governance has the most potential and value in instances where municipal authority and resources are sufficient to shape the urban area according to the collective interests of all stakeholders at the local level. In other words, if the municipality has sufficient power and influence to use strategic levers of power inside and outside of the municipal administration to achieve the strategic objectives of the city. City governments need to be conscious of national frameworks that circumscribe their powers and functions and how to use them to its maximum capacity to promote collective local interests. City governments should continuously engage with regional and national governments about reforms required to maximise local autonomy and local initiative. This can be pursued through appropriate representative bodies such as local government associations, both nationally and internationally (for example the International Union of Local Authorities - IULA). These points suppose a pro-active advocacy role for city governments, which is one of the important characteristics of effective urban governance.

3.3.2 Urban scale

The work of UMP is necessarily urban, which requires us to explore some of the city-scale dimensions of participatory governance.⁴⁷ “Urban scale” refers to multi-municipal or multi-governmental cooperation at the city level. At the most general level, city governments need to demonstrate a clear political commitment to participatory governance by passing appropriate council resolutions to promote participation in political process and service delivery, transparency in decision-making, accountability to the citizenry and responsiveness to service users. This will manifest in new institutional rules, policy frameworks and structures to make it possible for citizens and civil society organisations to activate the political commitment. Ideally, the political commitment will be expressed through a governance policy that applies to all municipal institutions across the city. Such an inter-municipal policy would include the following key elements.

A governance policy should specify:

- the rationale for participatory urban governance;
- principles of participatory governance;
- policy initiatives to promote and embed participatory governance;
- various programmes to ensure that policies are translated into practice, e.g. a transparency programme;
- illustrative projects to demonstrate how programme-level objectives will be realised;
- inter-municipal agreement to support the process;
- institutional and financial mechanisms to support policies, programmes and projects;
- a monitoring and evaluation system to ensure that the governance policy is adhered to and continuously refined and adapted to ensure maximum effectiveness.

It would defeat the purpose if such a policy statement was developed without the participation of citizens, civil society organisations and the business community. In situations where there is little experience or opportunities for promoting participatory governance, the process of developing a city-wide framework can be a powerful initiative to orient all urban actors to interact in a mutually beneficial manner.

⁴⁶ Manor, J. 1995. ‘Democratic decentralisation in Africa and Asia’, in *IDS Bulletin*, Vol. 26(2): 81-88.

⁴⁷ This discussion presupposes assumptions about the form of the municipality, i.e. whether it is metropolitan or not, or whether it is combination. It is easiest where some form of single metropolitan authority exists, and less so where city-wide matters are dependent on voluntary co-ordination between various councils at the local level.

In practice, this ideal will be difficult to pursue in the absence of a concrete issue that compels local actors to find ways of collaborating and forming partnerships. It is usually when the severity of urban environmental problems, structural poverty or economic decline hit home that different stakeholders are encouraged to find ways of working together. The city consultation experience of UMP confirms this observation. However, once a process is in motion around a specific issue, attempts should be made to formalise the process through a broader governance policy framework along the lines summarised above. This will make it more difficult to reverse the practice nurtured through city consultations or other processes that bring stakeholders together.

3.3.3 Municipal scale

A central argument of this discussion paper is that participatory governance is a necessary framework to enable municipalities, in conjunction with civil society, to address the myriad of urban dilemmas and problems. Participatory governance must be developed through a combination of interventions and reforms to create the right incentives and to demonstrate the value of working differently. We now consider some critical reform measures, both at the political and administrative levels, which could be pursued within the municipal government. This section provides a map to drive institutional transformation by providing municipal managers with a template to compare themselves against.

Internal Policies & Strategies

The traditional model of local government as a primary service delivery agency acting on behalf of higher tiers of government is manifested in a traditional hierarchical organisational structure, with decision-making power concentrated amongst a small group of senior administrators, with weak links to the elected representatives. The source of power was (and often continues to be) disciplinary specialisation between engineers, planners, accountants and of course lawyers, who interpreted the letter of the law to ensure that local government did not veer outside of its legal parameters. This model is fundamentally incompatible with the imperatives of participatory governance.

The legacy of the traditional model has left citizens with large, cumbersome, inefficient and, most importantly, unresponsive municipal administrations. Usually, these institutions are more driven by their own internal incentives and not the needs and interests of citizens and other external stakeholders. These hierarchical structures are particularly reinforced in periods of limited or no democratic controls. In such contexts the political system tend to be characterised by clientalistic relations between officials and/or politicians and local elites at grassroots level who ensure that the municipality deliver to constituencies with influence and the power.⁴⁸ A classic example is the Brazilian municipal system and the legacy that was inherited after the end of the dictatorship in 1985.⁴⁹ Internal municipal reform can be differentiated between political and administrative challenges.

Internal Political Reforms

The most conducive context for the promotion of participatory governance is a democratic political system. Democracy can be understood as a system in which the 'most powerful collective decision-makers are selected through fair, honest, and periodic elections in which candidates freely compete for votes and in which virtually

⁴⁸ For an excellent overview of these institutional trends see: Turner, M. & Hume, D. 1997. *Governance, Administration & Development*. London: Macmillan. A more in depth treatment, especially of anglophone systems, is provided in: Bennington, J. & Heartley, J. 1994. 'From Transition to Transformation. The Strategic Management of Change in the Organisation and Culture of Local Government in South Africa.' Unpublished report prepared by the Local Government Centre, Warwick University.

⁴⁹ Abers, R. 1998. 'Learning Democratic Practice: Distributing Government Resources through Popular Participation in Porto Alegre, Brazil', in Douglas & Friedmann (eds.) *Cities for Citizens*. Chichester: John Wiley & Sons.

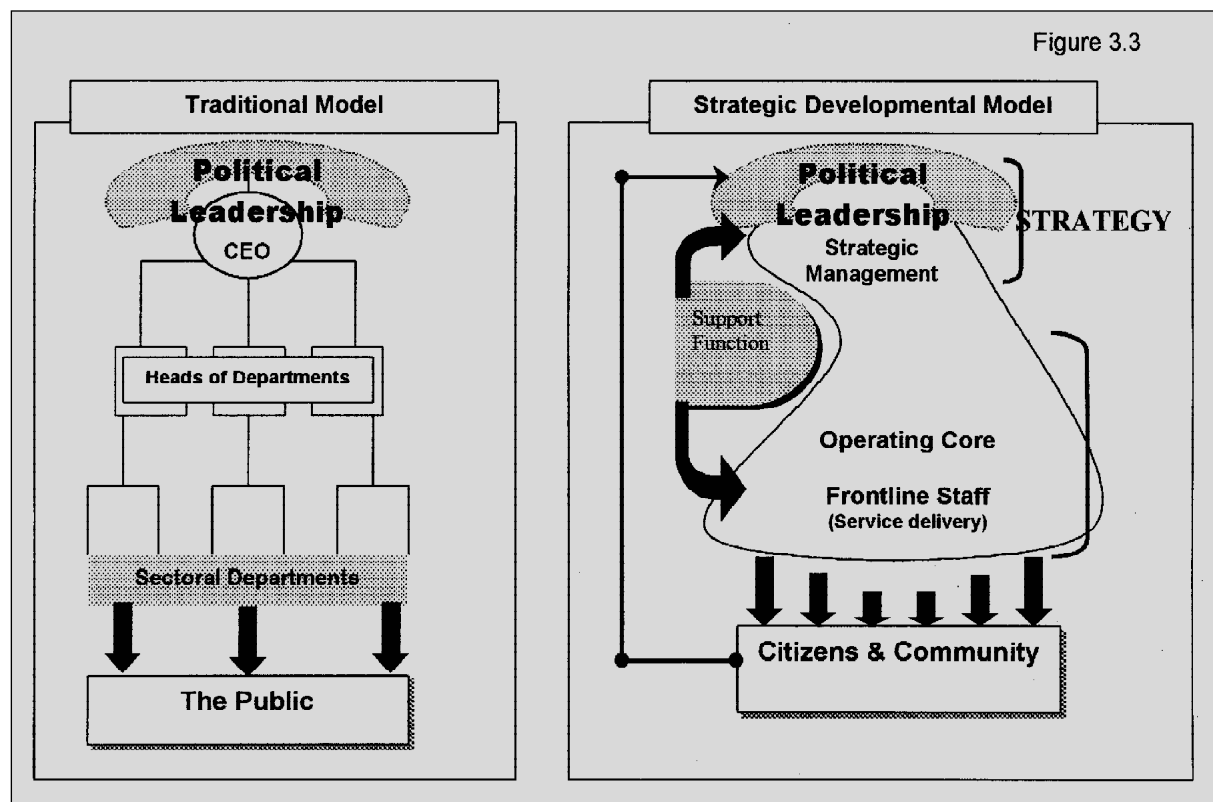
all the adult population is eligible to vote'.⁵⁰ However, even in the absence of formal democratic framework, it is possible to explore ways of improving the interaction between political leaders and administrative officials to ensure strategic decision-making.

As noted earlier, one of the biggest stumbling blocks preventing effective urban management is an overly hierarchical, top-down, fragmented municipal administration and political system. This institutional model is ill suited to deal with the integrated nature of pressing urban challenges such as social violence, environmental degradation, HIV/AIDS and urban poverty. An important reform is to move away from a hierarchical model to a more strategic developmental model of municipal management. Figure 3.3 illustrates the two models in diagrammatic form.

The traditional municipal structure model operates on the basis of traditional hierarchical managerial style, with several tiers of middle management between the chief executive and frontline staff. The large service delivery departments such as housing, roads and transportation, infrastructure and planning all operate with great autonomy and are managed by a powerful department head, making it difficult to address cross-cutting strategic priorities.

This model is incapable of generating the level of efficiency and effectiveness that will allow the municipality to meet the complex challenge of urban management as discussed in Chapter 2. Further specific weaknesses of the traditional institutional model include the following issues:

- It manifests deep-rooted departmentalism, which results by and large in fragmentation and waste in service delivery because infrastructure investments and maintenance processes are often not integrated and co-ordinated;⁵¹
- The model is usually characterised by a political system whereby elected representatives (if they are in democratic systems) work through committees that coincide with the different departments. The biggest



⁵⁰ Samuel Huntington quoted in: UNCHS, 1996. *An Urbanizing World. Global Report on Human Settlements 1996*. Oxford: OUP, p. 163.

⁵¹ This point emerged strongly in the workshop of the Asia Region of UMP, Bangkok, 18 August 1999.

weakness of this model is that it precludes a strategy-based approach to urban management but rather functions through incrementalism because the political structure reinforces the partial approach and perspective of the departments that they monitor;

- Municipalities who maintain this institutional design are often characterised by inefficiency, slow response-times, un-coordinated municipal investments, poor information flow between different parts in the organisation, let alone to outside actors, and lack of capacity to deal with complex, inter-related urban problems such as poverty, crime, economic decline and environmental degradation.

The strategic developmental model of municipal management is primarily characterised by a **vibrant political chamber** that works along four axes of political engagement and civic leadership (see figure 3.1):

- *downwards* with civil society, in particular with poor neighbourhoods and households to ensure that residents are encouraged to mobilise themselves to contribute to the city's activities and their interests are addressed;
- *horizontally* with organised civil society formations such as community-based organisations, resident's associations, professional bodies, NGOs, and so forth, to ensure that they actively come in behind a common strategy and purpose for the city;
- *horizontally* with the private sector, both formal and informal, to ensure that their needs are addressed and their initiatives are complementary with a city-wide development strategy and framework; and
- *upwards* or vertically to central and regional governments, representing and giving voice to the needs and views of the locality and its stakeholders, to higher tiers of decision-making and vice versa when appropriate.

None of these relations can be fostered effectively unless municipalities fundamentally alter the internal administrative and managerial systems. Internal reform will entail a shift to a much more strategic mode of operation, greater decision-making and authority devolved to frontline staff who interact directly with citizens and stakeholder groups, and a host of accountability and transparency mechanisms to link everyday operations to the broader process of building a democratic and accountable political culture.

The strategic development model has a number of benefits. For example, it strengthens a shared sense of purpose between elected and appointed municipal officials, which is good for accountability between these two groups of actors. It also potentially improves the accountability of elected leaders to citizens because the politicians are more likely to be realistic in making promises and initiating new programmes. The reason for this is that the strategic management framework compels municipal leaders to define precise medium-term and short-term objectives. This allows citizens to monitor more effectively whether or not political priorities and plans are being implemented. This level of planning and determination of objectives is not usually present in the traditional approach.

Another benefit is that it can lead to greater efficiency and consistency in decision-making, which is good for the external image of municipalities, especially with potential investors and credit-rating institutions. It also makes it easier for the municipality to take a leadership role in negotiating the interests of the locality in broader forums, especially with regard to regional and international actors.

Most importantly, the strategic development model of municipal management provides a solid foundation for achieving success in implementing a host of other institutional and administrative reforms within the administration and especially in building relations with external actors.

Internal Administrative Reforms

Most of the literature on urban governance tends to focus on the process dimensions of urban management. There is generally a paucity of analysis that explores the link between the internal organisational structure and practices and the various processes that municipalities engage in. We believe that this is a critical oversight and provide a practical discussion on a range of internal institutional reforms that can deepen participatory governance in general. This also reinforces the methodological approach of UMP city consultations that always

start with a background report that analyses all of the factors that contribute to the lack of participatory governance, which should be targeted for discussion and reform.

- **INTEGRATED SERVICE DELIVERY:** An important starting point for institutional reform to advance participatory governance is achieving a focus on the beneficiaries, especially the urban poor. Evidence suggests that municipalities need to reposition themselves to ensure that they can deliver an integrated package of services because the needs of the poor cannot be fragmented along sectoral lines (e.g. health, education, sanitation, roads, etc.). Practically, it means that an inter-departmental planning process is required along with cross-departmental task teams to implement properly co-ordinated packages of services. This form of planning and service delivery is also most suited for participatory ways of working with intended beneficiaries, and designing interactive monitoring and review procedures (elaborated below).
- **EMPOWER THE FRONTLINE TO MAKE STRATEGIC MANAGEMENT WORK:** The practical dimension of a more integrated approach to service delivery, equity, poverty reduction and environmental protection is a more empowered and flexible frontline in the organisation. The frontline includes all staff and agencies that interface directly with the public in delivering services and infrastructure. Such a move must be buttressed by adequate training and capacity building programs to ensure that frontline staff know how to serve effectively and appreciate the rights of citizens. The residents of a city interface with frontline staff of the municipality in four distinct roles:
 - as citizens, when the municipality honours statutory rights to information, recourse and social welfare entitlements;
 - as clients, when the municipality provides statutory functions such as zoning permission, licensing, etc.;
 - as beneficiaries, when the municipality delivers basic services and broader economic and social-cultural services;
 - as voters, during and preceding election times when voter education and registration is underway.

Each of these types of engagement requires a different framework and mode of engagement that frontline staff must be sensitised to and assessed against through the performance management systems (discussed below).

It is important for municipal change agents to understand that certain municipal functions and tasks lend themselves to a more dynamic strategic management approach, but a lot of functions also require traditional command-type accountability and control. For example, the issuing of certain legal documents such as birth certificates and death certificates will need an efficient and simple management system. Similarly, the fire department cannot enter into lengthy negotiations about quality of work and who will lead if they need to be deployed in case of a fire. The challenge is to find the right management framework for different services and goods that the municipality provides the public.⁵²

- **FINANCIAL REFORM:** A third mind-shift that must be achieved in fostering participatory governance is a concern with outcomes as opposed to inputs. The traditional municipal model is fixated on resources consumed (underpinned by a public accounting model that rewards expenditure), as opposed to the outcomes of investments. For example, a sectoral department is likely to get the same allocation adjusted for inflation the following year if it managed to expend all of its existing finances, irrespective whether the work of the department was effective or not. Experimentation with the role of budgeting and accounting techniques in municipal democratisation, innovation and transparency has shown dramatic results over the last years in many different parts of the world. The most famous are participatory budgeting techniques (which are discussed at greater length in Chapter 6). However, equally important is the re-design of the accounting practices and requirements in the organisation to promote an outcomes approach, a focus on quality of delivery and greater accountability in expenditure decisions.

⁵² This theme is thoughtfully explored in: Human, P. 1998. *Yenza. A Blueprint for Transformation*. Cape Town: Oxford University Press.

- **RESTRUCTURE HUMAN RESOURCE DEVELOPMENT SYSTEMS:** The hard reality is that it is extremely difficult to effect change in large and established public sector institutions. It is double the case if the traditional model is in effect and staff is allowed to do the minimum with no consequences in terms of performance assessment or the continued funding of their programs. One of the most important levers at the disposal of elected and appointed municipal leaders is the human resource development (HRD) system, which creates a framework for career advancement, promotion and training in the organisation. In the context of working towards a more developmental and responsive institution, the HRD system can be used to create positive incentives for behavioural change by affording people the opportunity of training and promotion, if they implement the new values and objectives of the organisation.
- **PERFORMANCE MANAGEMENT SYSTEMS:** Closely linked to the HRD system is the organisational system of performance assessment of individuals, teams, programs, departments and special projects. The system of reward and sanction in the organisation is a critical tool to encourage staff to align themselves with new strategic priorities and the new operational ethos. However, the challenge is not to simply opt for a system of sanctions, but rather to develop creative incentives for positive behavioural change. For example, staff who demonstrate a genuine commitment to involve citizens in programme development or who act in a highly responsive manner to customer complaints should be rewarded. In the context of reorienting the council to citizens' needs, it is crucial to institute reforms that promote improved performance to ensure that frontline staff delivers according to the political mandate of the council. It is impossible to achieve success at the top end of the organisation (council) without simultaneously realigning the organisation as a whole.
- **INTRODUCE COMPREHENSIVE MONITORING & EVALUATION SYSTEMS:** Ideally the performance system will be located in a broader monitoring and evaluation policy and system of the municipality. Once the investment has been made in systematic strategic planning processes, which result in corporate priorities, programmes to address the priorities, business plans with milestones and costing structures, it is essential to monitor the implementation of the plans against the over-arching values of the organisation and the specific priorities. This has to culminate into thorough evaluations at the termination of the program or project to ensure that the lessons are woven into future plans. Most importantly, an effective monitoring and evaluation system stimulates a learning culture in the organisation, which is an essential feature of a developmental and innovative institution.
- **SYSTEMATICALLY DEVELOP FORMAL POLICIES AROUND PARTICIPATION, PARTNERSHIPS AND THE EMPOWERMENT OF CIVIL SOCIETY:** A lot of development policy literature ignores the fact that large public sector institutions are driven by the power and imperative of procedure. It is therefore important to ensure that formal policies are developed and used as guidelines to reinforce more responsive ways of working. Most practically, it means that municipalities should seek to prepare formal policy statements/frameworks on participation, partnerships, and the empowerment of civil society. The value of such policies is that it makes it easier for CSOs and the private sector to claim their rights and hold municipal staff accountable. Secondly, it provides an ideal instrument to build consensus within the institution around a new ethos to local development and delivery based on a participatory governance framework. Thirdly, it can be the basis for fostering policy consensus between the council and citizen groups around the rights, obligations and responsibilities of both sides in a partnership-based approach to urban governance.

NB: These institutional innovations are not meant as a list of technocratic interventions that must be complied with *before* participatory governance can be built. On the contrary, it is intended as an informative overview of what is possible, based on innovations that are happening in piecemeal form in different parts of the world. Obviously, the national local government system, local political culture, capacity and so forth, are all crucial variables in terms of what is possible. What are possibly more valuable are committed staff (managers and operating staff alike), sincere politicians and an openness to experiment to find local solutions rooted in local cultural idioms and sensibilities.

External Policies & Strategies

Civil Society Organisations

The horizontal relationship with civil society organisations can be defined along three different kinds of action: i) Fostering meaningful participation in the affairs of the municipality at the levels of policy, political decision-making, resource allocation, service delivery, and monitoring; ii) Fostering community-municipal partnerships, especially around equitable service delivery and poverty reduction; and iii) collaborating with CSOs to ensure civic education to deepen citizenship.

- **PROMOTING PARTICIPATION & COMMUNITY DEVELOPMENT:** Participatory governance comes into its own in the quality of the relationship between the municipality and civil society organisations. In most countries there has been a significant increase in a host of community-level associations. Evidence from virtually every corner of the Developing World suggests that municipalities can greatly enhance their effectiveness by tapping into the rich resources and capacity of civil society organisations. However, a piecemeal, half-hearted approach is not likely to deliver much result. Municipalities need to invigorate this governance relation by opening up all dimensions of municipal government and decision-making to the input of CSOs and citizens. Chapter 5 provides much more in-depth ideas about how to achieve this. For now, it will suffice to stress that participatory approaches can be developed at all levels of municipal activity: strategic planning and visioning, prioritisation, program development, project design and implementation, monitoring and evaluation and especially in ongoing forums of political debate and decision-making. In a context of limited fiscal resources and vast development needs, mobilising community participation amongst poor settlements is particularly valuable. The work of the Community Development Programme (CDP) of Habitat in 60 municipalities in six countries to promote and study civil society involvement in municipal affairs supports this assertion.

More to the point, the programme coordinators of CDP, Williams and Ludeking, argue that a participatory approach to settlement improvement ‘...recognises that low-income residents [...] are the single most important resource for long-term improvements in the physical, social and environment of a given settlement.’⁵³ This is echoed in the work of Patricia McCarney, who observes that ‘[u]rban centers worldwide now feature organizations for squatter communities, tenants’ associations, savings and credit associations, mutual- and self-help construction committees, area development committees, security committees, women’s associations, parent-teacher associations and even independent research and management advisory bodies. It is not simply the breakdown of public infrastructure, service deterioration, or managerial inefficiency. It is the remarkable resilience of non-state agencies to challenge the monopoly of state institutions in shaping the character of cities today, which is of striking importance. In most Third World cities, the bulk of housing, transportation, employment and trade take place outside formal state institutions’.⁵⁴

Capitalising on the benefits of a participatory approach will not happen overnight and requires painstaking preparation and a fundamental reorientation of both politicians and staff. Given that participation is never straightforward, new initiatives often fail because protagonists underestimate their difficulty, especially at the outset. It often helps to understand that civil society is extremely diverse and characterised by different levels of power, capacity and access to crucial information. Institutional mechanisms to facilitate engagement need to be structured to allow for such differences and additions. It is crucial to have special avenues for groups who are normally excluded or marginalised from engagement processes. In particular, it is the poor, and especially women and minority groups amongst the poor, who are left out in urban development processes.

⁵³ Williams, C. & Ludeking, G. 1999. ‘Participatory Strategies for Settlement Improvement.’ Unpublished draft: 24-11-99. UNCHS Community Development Programme, Nairobi.

⁵⁴ McCarney, P. 1999. ‘Thinking about Governance in Global and Local Perspective: Considerations on Resonance and Dissonance between two Discourses.’ Unpublished paper, p. 9.

- **MUNICIPAL-COMMUNITY PARTNERSHIPS:** A decade ago, there was a strong swing towards private-sector/market-based solutions to a host of urban development problems in the wake of national structural adjustment policy reforms. Simplistic policy pronouncements around the necessary efficacy of private sector based service delivery models resulted in a new wave of service delivery problems. For example, once water services are privatised the service becomes too expensive for poor residents to afford and they are simply cut off from the system⁵⁵. Also, broader political and developmental agendas towards achieving holistic development outcomes are difficult to implement because the new private sector service providers do not regard it as relevant to their business. In other words, the strategic functioning of the public service is effectively beyond the purview of the democratic political process. When this happens it important to recognise that a variety of considerations must inform how municipal services should be organised, to ensure efficient delivery but also the attainment of a broader developmental vision.

In this new wave of thinking, the potential and value of formalised partnerships between municipalities and community-based organisations have emerged as an innovative institutional model. These are called municipal-community partnerships (MCPs) as opposed to public-private partnerships (PPPs).⁵⁶ MCPs are particularly suitable for alternative service delivery models in a context of vast needs, limited municipal capacity and highly constrained fiscal resources. Essentially, an MCP is a more formalised (contractually) framework to systematise the distinctive voluntary contribution of CSOs. A competitive MCP (compared to a PPP) will manifest three characteristics:

Public sector proposals for future citywide development often ignore the existence of functional community infrastructure that is already meeting the demands of households and represents millions of dollars worth of private, unsubsidised investment.

World Bank

- Organisational effectiveness—managerial, financial and administrative competence;
- Capacity to extend basic services to address areas of greatest need and poverty; and
- Contribution to community empowerment and deepening of the democratic contract at the local level.

Practically, an MCP means that municipalities can contract community based associations to deliver specific goods and services, e.g. sanitation, refuse collection, roads and environmental maintenance, social housing, etc., as part of an overall municipal strategy.

- **CIVIC EDUCATION:** There is direct benefit to municipalities if citizens are informed and engaged with the work of the council. Firstly, it makes the elected representatives more sensitive to public opinion beyond the views of their respective political parties. Secondly, it makes officials more aware that they are meant to deliver a certain standard and volume of service, or be able to explain why they are failing to do so. Thirdly, it promotes the identification of areas for collaboration between the municipality and various citizen groups. Fourthly, it deepens a broader culture of democratic participation, which will enhance the quality of social organisation within civil society, and stimulate a broader layer of future leaders. Civic and citizen education is a critical dimension of strengthening the horizontal governance relation with CSOs.

⁵⁵ Cranko, P. & Khan, F. 1999. *A Strategic Agenda for the Promotion of Municipal Community Partnerships in South Africa*. Pretoria; Department of Constitutional Development & Isandla Institute. Waddell, Steve. 1999. "A Strategic Framework for Explaining and Building Government-Business-Civil Society Collaborations." Unpublished paper.

⁵⁶ Cranko, P. & Khan, F. 1999. *A Strategic Agenda for the Promotion of Municipal Community Partnerships in South Africa*. Pretoria; Department of Constitutional Development & Isandla Institute.

Private Sector

As mentioned earlier, initial ideas about the role of the private sector were poorly conceptualised and resulted in a wave of reckless urban policy development.⁵⁷ With the benefit of hindsight and experience, we are now in a position to explore more productive and sustainable roles for the private sector in urban development. The precondition is almost always a pro-active municipality that has a conscious strategy to engage with the business community in terms of the overall strategy and direction of the city. Municipalities can strengthen the governance relation with the private sector in three exemplary ways: i) by fostering strategic and mature partnerships; ii) through active involvement in local economic development strategies; and iii) through the promotion of corporate citizenship.

- **STRATEGIC PARTNERSHIPS:** When municipalities make the shift away from a traditional service delivery model to a more developmental strategic approach, it is important to leverage all possible support from civil society organisations and the private sector. The business community potentially offers managerial expertise, financial resources, credit, training infrastructure, alliance partners to promote public good messages, and the capacity to take over certain functions that may not be the most appropriate for municipalities to own and/or manage. This variety of inputs suggest that various relationships are possible and it is short-sighted to only see the private sector as a purchaser of public assets through privatisation.

Optimally, the municipality needs to build relations with the local and foreign private sector interests by involving associations and lead companies in city-wide visioning and strategic planning processes. Potentially, this will build commitment to a broader vision for the city that goes beyond the immediate, short-term interests of certain companies. The municipality can play a crucial role in helping the private sector to take a longer-term view of their interests and how these interests coincide with a city that is successful, competitive and equitable in the long-term.

An ideal mechanism to facilitate such a discussion and cultural change is the negotiation of a formalised partnership with organised business based on the strategy of the municipality for the city as whole. The broader city-wide strategy must inform specific partnership protocols with either civil society organisations or the private sector. These protocols need to specify a process and concrete mechanisms that will be used to reach agreement on the nature of the partnership. For example, negotiations around a lifeline tariff for poor households can be explored in the context of a step-tariff that will allow businesses to boost state subsidies to ensure that all households at least have access to the minimum levels of water and energy sources as deemed desirable by international convention standards.

More innovative collaborations could include measures to provide managerial training and support as the municipality introduces new instruments to foster internal innovation around strategic management and an empowered frontline. Most of the successful businesses have gone through their own institutional transformations to be competitive in a more integrated and demanding global business environment. Although the public sector offers unique conditions, there could be a lot of value in placing municipal managers in the private sector as a training strategy and in boosting municipal systems development by using private sector expertise.

The most important innovation in the coming period will undoubtedly be the move away from outright privatisation to experimentation with corporatisation and the creation of utility companies, fully owned by municipalities but run along competitive business lines. This model allows for drawing on the benefits of exposing municipal operations to some of the rigour and pressures of market competition without

⁵⁷ Meticulous and ideology-free critique can be explored in two useful texts: Badshah, A. A. 1996. *Our Urban Future. New Paradigms for Equity and Sustainability*. London: Zed; and Burgess, R., Carmona, M. & Kolstee, T. 1998. 'Contemporary Policies for Enablement & Participation: A Critical Review', in *The Challenge of Sustainable Cities*. London: Zed.

losing all forms of political control to ensure that social equity considerations are not sacrificed. It even creates a framework for municipal workers to organise themselves and create remuneration incentives if they can turn a profit through efficiency savings.

- **LOCAL ECONOMIC DEVELOPMENT:** A key role of city governments is to be conscious and pro-active about the state of the local economy within which they operate. Previously, in the context of limited policy autonomy at the local level and limited scope for national economic regulation, and in the absence of significant decentralisation, local authorities were never thought of as important economic actors. With the dramatic economic decline in the mid 1970s and especially the 1980s in many industrial heartlands of the US and Europe, a new policy approach emerged which encouraged municipalities to actively intervene in their local economies to protect jobs, help industries restructure and promote inward investment. This policy approach became known as local economic development (LED).⁵⁸ LED denotes the pro-active initiative on the part of municipalities to combine local-level skills, resources and ideas to stimulate the local economy to enable it to respond innovatively to changes in the national and global economies, towards the goals of job creation, economic growth, poverty alleviation and redistribution.

The first dimension of LED strategies is to recognise and amplify the fact that the municipality is itself a very important actor in the local economy. Often, city governments are amongst the largest employers, purchasers and providers of goods and services, investors, property owners, and infrastructure providers in a local economy. In this sense, the very way the municipality operates is actually as a business and it can impact on the local economy in a stimulating or dampening manner. In most cases, when municipalities do not consciously understand their economic role and impact, they fail to maximise their economic stimulation potential, to the detriment of the local economy as a whole.

The second dimension of effective LED strategies is to develop a comprehensive LED policy framework. Such a framework needs to detail how the municipality will achieve seven core strategies to facilitate LED. The strategies are:

- Development and maintenance of infrastructure and services, e.g. ensuring good reliable and cost-effective municipal service delivery, efficient infrastructure maintenance, provision of social amenities, etc.;
- Initiatives to promote the retention and expansion of existing businesses in the city, especially sectors that need support to adjust to a more open global economy and increased trade;
- Measures to ensure that leakage in the local economy is plugged, e.g. through stemming the outflow of money from poor areas through encouraging buy-local campaigns, supporting periodic markets, etc.;
- Promotion of human capital development, e.g. supporting education and training programs of other tiers of government or the private sector, skills development, placement programs, targeting vulnerable groups with support measures to facilitate participation in the labour market;
- Facilitating community economic development through measures that promote the establishment of community-business and co-operatives, local exchange systems, informal credit systems, community-based environmental management systems, etc.
- Promotion of small, micro and medium enterprises (SMME) through a dynamic mix of supply-side and demand-side measures. Supply-side initiatives could include counselling, training, provision of space and facilities for commercial activity, research and information centres, etc. Demand-side measures can be promoted through a radical overhaul of the procurement policy of the council to ensure that the council and its big suppliers ensure access for SMMEs to large-scale contracts; and lastly,
- Investment attraction and place-marketing strategies.⁵⁹

⁵⁸ Wilson, P. 1995. 'Embracing Locality in Local Economic Development.' *Urban Studies*, Vol. 32(4-5): 645-658.

⁵⁹ SA Government. Forthcoming 2000. *Local Economic Development Policy Framework*. Prepared by Isandla Institute.

It would be short-sighted for a municipality to pursue any of these LED strategies without close collaboration with the private sector and soliciting their input in developing the details of each strategy. An explicit LED strategy makes it possible to link long-term economic growth issues, with more immediate concerns about joblessness, increasing inequalities and the role of the private sector in a sustainable development strategy for the city as a whole.

- **CORPORATE CITIZENSHIP:** An emerging trend in the business community worldwide is the recognition of the social and political accountability of the private sector in the local and international arena within which they operate. Traditionally, this has taken on the form of (de-linked) philanthropic activity, largely induced by legislative measures such as tax incentives. Characteristically, businesses treated this as a sideshow, which could at best be used as a marketing tool to enhance brand recognition and the reputation of the company. Their philanthropic activity would have no direct or significant impact on how the business defined itself, let alone shape product development and enhancement. However, in the last ten years this has started to change.

Most notably, certain companies have become really serious about their environmental and social impact on the communities where they are based, and sometimes even where they sell their products. This awareness and the actions that flow from it are referred to as corporate citizenship. It denotes the acceptance on the part of a company that it has a responsibility to the community and the environment where it is based and where it markets and sells its products. For example, the CERES principles state that companies who adopt these principles 'publicly affirm [the] belief that corporations have a responsibility to the environment, and must conduct all aspects of their business as responsible stewards of the environment in a manner that protects the earth'.⁶⁰ Two older corporate citizenship movements—Calvert Group and The Caux Round Table—have even broader missions; ensuring improvement in the overall quality of life, including participation in community and civic life.⁶¹

Informal Private Sector

Given the dual structure of urban economies in almost all Developing Countries, it is important to briefly consider the potential of the governance relationship with the informal side of the local economy. It is a grave error if municipalities only engage with the formal and organised sector of the private sector in building out horizontal governance relations. The reality in most fast-growing cities in the Developing World is that the informal sector is the main provider of goods and services to the poor. Efforts should be made to ensure that city-wide development initiatives address this critical dimension of the city and assist those businesses with potential to mature and to eliminate the variety of penalising regulations that discourage the informal sector.⁶²

However, the informal sector is not necessarily virtuous. On the contrary, levels of exploitation and human rights abuse are often in evidence and a supporting policy approach must be designed with great care and strategic intelligence. The challenge confronting municipalities lies in designing programmes that balance the objective of maximising the employment-creating and poverty alleviation potential of informal enterprises with the necessary social protection and regulation.⁶³

Evidence from different parts of the world suggests that a comprehensive strategy to deal with increasing informality will include some, combinations of, or all of the following elements:

- enabling policies around finance and credit which involves the formal banking sector and special government and NGO-based institutions;
- the support of local exchange trading and barter systems where these can equitably be sustained;
- supply-side measures such as the creation of premises for incubators and hives where informal entrepreneurs can grow their business with some measure of protection, and the development of markets and trading spaces;
- recognition of home-based enterprises in the execution of planning and infrastructure development initiatives; and
- reform of procurement policies to promote linkage between established and emerging businesses.⁶⁴

⁶⁰ 'The Ceres Principles', in Cleveland, H., Henderson, H. & Kaul, I. (eds.) 1995. *The United Nations: Policy and Financing Alternatives*. Washington: The Global Commission to Fund the United Nations. p. 268.

⁶¹ Cleveland, H., Henderson, H. & Kaul, I. (eds.) 1995. *The United Nations: Policy and Financing Alternatives*. Washington: The Global Commission to Fund the United Nations.

⁶² Wilson, P. 1995. 'Embracing Locality in Local Economic Development.' *Urban Studies*, Vol. 32(4-5): 645-658.

⁶³ Khan, F. forthcoming. 'Informalisation, Local Economic Development & Public Policy.' Cape Town: Isandla Institute.

⁶⁴ Khan, F. forthcoming. 'Informalisation, Local Economic Development & Public Policy.' Cape Town: Isandla Institute.

It is likely that a local corporate sector who engages with these moral and political frameworks are far more inclined to be supportive of a broader developmental approach to urban governance. It is therefore in the interest of municipalities to promote corporate citizenship as a *cultural trait* in the local business community and to pro-actively engage with local business as they address these matters. It will also lay a strong foundation for more community and trade union engagement with the business community, which will contribute to a broader culture of democratic engagement and pluralism.

Public Sphere

In a democratic framework, pluralism, openness, flow of information and tolerance are a critical ingredients of good governance. This makes it possible for different experiences and perspectives to be explored and debated in the public sphere. In this sense the public sphere refers to the space between citizens and the state where all matters that are not 'private' are subjected to democratic interrogation to ensure that the state implements decisions that will be towards the 'common good'. However, public spheres also exist in undemocratic societies but they tend to be dominated by the interests and view of the dominant classes and groups. In a democratic society the public sphere is characterised by a plurality of perspectives, contestation and vibrant debate. Accesses to relevant information and opportunities for communication are important requirements to maintain the integrity of the democratic public sphere.

Often, and mistakenly so, observers assume that it is only the central state that has a role in democratising the public sphere. On the contrary, as national government decentralises its functioning, collection of taxes and delivery of services, local government becomes an important actor in safeguarding and promoting a democratic public sphere. For now we briefly note three important ways in which this can be done:

- a. through transparency enhancing mechanisms, e.g. citizen scorecards, public access to municipal records, etc.;
- b. by fostering responsiveness to citizen complaints and request; and
- c. by deepening public awareness about the municipal agenda through appropriate and inclusive communication strategies.

Practical ideas to increase community participation in these senses are explored in Chapter 4.

Realising participatory governance is a complex endeavour because the work involves multiple scales of intervention and it is never done. Municipal partnerships and citizens responsiveness will always be in need of support, monitoring and improvement. At this stage the reader should be in a position to appreciate the scale of challenge and locate his/her own experiences within this framework and plot what makes sense to prioritise. Our argument throughout has been that there is no generic formula that can apply to all contexts irrespective of local conditions. On the contrary, participatory urban governance will only truly emerge if city actors identify their distinctive strengths and weaknesses and collectively agree on local processes that can facilitate meaningful partnerships, participatory democracy and co-operation.

Chapter 4: Regional Trends & Embedding Participatory Governance: UMP Experiences

4.1 INTRODUCTION

The focus of this chapter is to outline significant regional urbanisation and decentralisation trends that shape local interventions promoted by UMP and to explore a sample of City Consultation experiences in the four regions where UMP operates—Asia, Latin America, Arab States and Sub-Saharan Africa. The City Consultation (CC) methodology of UMP and other Habitat programmes enables them to facilitate local processes that are sensitive to local contexts.

Seven cases reflect the experiences of specific localities demonstrating how CC's have been adapted for different purposes, e.g. to promote joint planning processes between municipalities and poor communities, to facilitate community-based environmental management, to involve traditional authorities in land development projects, etc. Three examples refer to thematic issues that have emerged as unique insights in fostering participatory governance, i.e. involving the mainstream media, promoting gender equity in urban governance and management processes, and the importance of enabling national policy frameworks.

The intention is to reflect the rich diversity between and within regions and to identify the general agenda for reform to strengthen participatory governance. A series of generic lessons are extrapolated at the end of the chapter. However, given the complexity and detail of regional trends, we mainly focus on two regions—the Arab States Region and Latin America—and provide more cryptic summaries of the other two.

This chapter draws out the following issues in relation to all four regions:

- Summary discussion on the critical urbanisation trends and challenges and how these trends shape decentralisation reform initiatives;
- Overview of decentralisation processes in the region, with an eye on the potential for deepening participatory governance relations;
- Characterisation of the achievements of participatory governance in the respective regions;
- Obstacles and problems that hinder the entrenchment of participatory governance; and
- Generic lessons for the region and possibly beyond to inform learning and further research.

4.2 ARAB STATES REGION¹

Urbanisation trends

Urbanisation rates have increased dramatically over the past twenty years. In 1980, 44.1% of the total population in the Arab States Region (ASR) was urbanised. This has increased to 59.9% in 2000 and is expected to climb to 69.8% by 2020.² However, these figures hide dramatic differences between and within countries. For example, the fastest growing city in the world is located in the region. It is Sana'a, Yemen, which has doubled in just the last ten years. Its growth is due to the consequences of the gulf war when Yemeni workers were expelled from Gulf region countries.

¹This section draws heavily on two background papers prepared for this report: Arendel, C. 1999. 'Overview of Urbanisation, Decentralisation and Governance in the Arab States Region.' Background paper prepared for the UMP Governance Policy Paper; Salem, O. 1999. 'Broad Policy Options For Municipal Action in Urban Management with Particular Reference to Improved Governance.' Prepared for the Urban Management Programme (UMP) in the Arab States Region.

² UNCHS (Habitat). 1999. 'Basic facts on Urbanisation', Nairobi.

It is difficult to generalise across the region about critical urbanisation challenges given the diversity of processes and experiences. For the purpose of this chapter, we will explore four major challenges that apply to most contexts in the ASR.

- ***Providing shelter for the poor.*** The governments in the region have been unable to meet the demand from the urban population for housing. A variety of strategies have been pursued with limited success. Since the 1960s, the state has been involved in the provision of social housing. However, this approach has largely been abandoned in the wake of economic liberalisation policies during the 1980s, which sought to make more room for the involvement of the private sector. These policies also precipitated imposing budget constraints and reducing the availability of government owned land reserves. Significantly, even in two countries with the largest social housing interventions (i.e. Egypt and Algeria), the supply was never able to meet the growing demand. Invariably, this led to the rapid growth of informal settlements, which account for a significant portion of the provision of new housing in the region. Informal housing provision has climbed dramatically from 20 to 70% over the past two decades.

This trend was reinforced by the inappropriate state housing that was simply out of reach for the poor. Housing policy has attempted to respond to these trends by emphasising an approach that focuses on upgrading informal settlements. This remains predominant and means that the private sector provides housing for wealthy classes and the informal sector remains the primary provider to the poor. Obviously, this precipitates a host of planning, environmental and social development problems, but it does create space for meaningful community participation.

- ***Increasing urban poverty.*** The rapid growth of urbanisation is accompanied by a rise in urban poverty. It is generally recognised that the depth of urban poverty has also increased. This is mostly a result of structural adjustment policies that tend to have a disproportionate impact on the urban poor. The privatisation of public sector companies has further increased unemployment, and the reduction of government subsidies on a number of first-order necessity items (food stuff in particular) has also undermined the survival strategies of the poor.
- ***The growing youth population.*** The age pyramid in the region is bottom-heavy as the majority of the population is below 30 years old. Effective integration of the urban youth in the national economies remains a daunting challenge. This is compounded by the education system, which is simply failing to prepare students for the challenges of the globalising economy. This fact, along with liberalisation and adjustment initiatives, has manifested in the disappearance of state guarantees that graduates will find employment. Consequently, unemployment is a growing and extremely serious problem. These structural dynamics are fuelling the increasing marginalisation of the youth.
- ***Service demands outstripping supply.*** The rapid process of urbanisation, declining economies, contracting public sector expenditure, rising unemployment and impoverishment effectively result in a massive gap between available urban services and what is needed. Both central and local governments are simply incapable of keeping up with rising demand for urban services and infrastructure. This has led to the promotion of much more vigorous private sector involvement in service provision and a policy emphasis on economic growth.

Decentralisation patterns & (in)formal political culture

To fully appreciate the impetus and nature of decentralisation processes in the Arab States Region it is crucial to understand the formal and informal dimensions of local governance processes, and especially how these dimensions intersect. Secondly, it is crucial to understand the distinction between sub-national government, headed by a governor, and municipal government, which is headed by a Mayor. Governors are the most powerful and usually appointed by central government. The same often applies to Mayors but in certain instances they are directly elected by the local population.

The Pivotal Roles of Governors

The power and position of Governors vary in the MENA region. They are appointed in most countries by the president upon recommendation. In a few countries, e.g. Morocco, Jordan and Lebanon, they are elected. Appointed governors are in the first instance accountable to the Centre. They report to either a council of governors chaired by the Prime Minister (e.g. Egypt), or directly to the Presidency. In Tunisia, Governors (*Waly*) are appointed and Mayors are elected. However, City Mayors report to Governors through a complicated structure of representatives of *Walies* inserted into the city governing system on a full time basis.

Expectedly, the role of Governors is shaped by the way they come into office. Elected ones tend to be more interested in pleasing their local constituents, even though they operate under pressure from the Centre expressed through either financial or administrative dependencies, e.g. in Jordan. In this context, Governors tend to fall between local and central expectations, unable to meet the expectations of anybody. In the last period it has become evident that responsive Governors who come into office through election are often crippled by the macro institutional framework and the constraints it places on decisive action.

Appointed governors on the other hand are the majority in the region. They tend to come from a trustworthy background of the ruling elite (military, police, intelligence, well-established professionals with a history of loyalty to the formal structure, etc.). Their missions are dictated to them from the centre and translate into priorities such as control and stability, and attracting private capital and generating income. Consequently, they tend to be detached from the daily dynamics of their local areas but focussed on lobbying for more central transfers or attracting business and private capital.

These trends suggest that local politics are largely manipulated from above and representatives of the centre are positioned to ensure *de-concentration of control*. This promotes political patronage systems whereby key figures in sub-national governments become pre-occupied with demonstrating loyalty and achievement to the centre to ensure enhanced career prospects.

In practice, sub-national governments are left with very little planning and policy development mandates, let alone capacity. More often than not, they are not allowed to control pricing policies, urban development plans, hire senior managers, or modify salary scale and personnel policy of municipal staff. Revenues collected at the local level are either sent back to the centre or remain limited due to a vicious cycle of limited service delivery capabilities and meagre willingness to pay local taxes. As argued earlier, substantive decentralisation must involve a strong financial dimension, otherwise it fails to achieve social development and political empowerment objectives.

De-concentration of Functions

With the advent of economic liberalisation and structural adjustment policies in the region since the mid-1980s, central governments became keener on de-concentrating administrative functions to lower tiers of government to ostensibly increase efficiency and effectiveness of service delivery. There were many laws that transferred mandates of parastatals to sub-national governments. However, this has not been accompanied with delegating more power to raise local revenues or updating salary scales of municipal staff to attract qualified personnel. Sub-national governments still suffer limited financial, technical and institutional capacity. They are ill-equipped to take up their increasing responsibilities efficiently.

A major aspect of the de-concentration of authority to sub-national governments is the idea that such governments are now expected to attract direct foreign and domestic investments into their cities. For example, sub-national governments are encouraged by the centre to produce 'investment maps' and introduce efficiency measures to eradicate red tape that may hamper investment initiatives. This role tends to outweigh a different policy imperative to encourage other groups of civil society to take a more active part in city development. This national policy orientation misses out on leveraging the distinctive value of NGOs, local groups, and the rest of civil society. However, in reality, political futures are secured and solidified if governors or mayors can prove their ability to successfully attract private investment and/or donor funds.

Culturally, sub-national governments are characterised by a strong belief in formal, technical and scientific management techniques in carrying out administrative and urban management roles. Sub-councils perceive their work as mainly a technical matter that is best undertaken by specialists. Centralized and technocratic decision making is justified on grounds of social responsibility of the state for the welfare of people. (The same principle is also derived from Islam.³) This has sedimented as an ingrained habit of thinking about local constituents as *passive recipients*. Accordingly, the meaning of participation has been reduced to contributing in-kind and in-cash to implement what the expert or the authority deems appropriate.⁴ The idea of including actors of civil society at early stages of problem analysis and decision making is not a normal practice.

Informal Dynamics

The technocracy of planning and management however is penetrated by and structured on informal networks of clans, kins, patrons and clients. Patronage and clientelism carry more weight than formal rules and regulation. Civil servants of sub-national governments are frequently willing to trade their discretion for in-kind favours to a kin or a clan. The client-patron relation in such cases takes a mutually beneficial shape at the expense of those who do not have access to such informal networks. The system of informal networks also thrives on information asymmetries held by officials without being disclosed to wider constituents. Examples include future plans or developments leading to increased land prices, change in rules or pricing structure of a certain service, interpretation of existing building codes and specification, access to subsidised shelter or land, etc. These traits of institutional decay are the lifeblood of municipal malfeasance that damage the image of sub-national governments even further.

The scarcity measures imposed by structural adjustment policies, and the quest to attract non-public capital into cities of the region has affected the informal institutional framework of sub-national governments. Surely, the margin of tolerance to private sector participation in production and provision of urban services is increasing. Sub-national government's recognition to the pivotal role played by NGOs and community groups is growing. However, they are yet to develop skills of enabling and facilitating such a role. Many sub-national governments still feel threatened by the expanding scope of NGOs' participation in production and provision of services and retain dated attitudes of them as agents of foreign interests.

Achievements and potential for participatory governance

The most salient achievements in the region regarding participatory governance are linked to specific projects in the field of housing upgrading and environmental upgrading. A number of successful participatory upgrading projects have been and continue to be implemented in the region. These go back to the 1970/80s, initially as attempts to increase project effectiveness and lower costs, without really involving beneficiary communities in significant decision-making aspects. This approach to participation has several limitations:

- It does not provide a framework to institutionalise participation. Once the project is finished, so is participation.
- The framework of the project tends to shape the degree of involvement of the local population as opposed to the needs of the target community. This tends to result in prioritisation of the wrong issues and many unintended consequences. For example, an evaluation of a slum-upgrading project in Morocco showed that it led to a reduction of school enrolment of especially girls as the inhabitants had to mobilise resources to pay for the new housing units. The parents then chose to let their children earn some income rather than staying in school.
- Final decision-making power tends to reside in the hands of the government who can override community decisions and interests, with no or insignificant recourse.

³ Ismael, J. & Ismail, T. 1995. 'Social Policy in the Arab World', *Cairo Papers in Social Sciences*, 18, Monograph (1), Spring, American University in Cairo Press.

⁴ Cook, T. & El-Missiri, S. 1995. 'Assessment of Local Participation and the Decentralization of Basic Services Management at the Governorate Level', prepared for the Office of Institutional Development Support, USAID, Cairo.

The limitations of top-down participatory processes are increasingly clear. The UMP city consultation processes have been a significant impetus to promote a more substantive and meaningful approach to community participation in urban governance. The new approaches are best captured in a few examples of alternative practices and the positive impact they are having in different Arab States Regions countries.

Changed Municipal Behaviour in El-Kasserine, Tunisia

El-Kasserine is a low-income town that is located in the south west of the country, some 300 km away from Tunis. The city participated in a two year USAID project of municipal behavioural change towards more participatory decision making during 1995-6, namely GESCOM. The city of Kasserine adopted participatory budgeting whereby the local population became directly involved in decisions and deliberations about allocations of GESCOM project resources at the beginning of each fiscal year. This, along with other measures of involving citizens in decision making and implementation of slum upgrading projects, resulted in a new rapport with the local population, and eventually led to a greater willingness to pay taxes and so strengthen the financial viability of the local authority.

The NGO-Municipality Partnership of Tunis, Tunisia

The municipality of Tunis has a partnership programme with NGOs. Through the programme, the municipality issued agreements with NGOs that are active in community development and poverty alleviation work. Such NGOs receive different kinds of support from the municipality to facilitate their activities. The scope of their work is diverse, including care for the elderly, youth skill development, charity disbursement, shelter provision, etc. The support provided by the municipality helps in expanding and strengthening activities of NGOs and ensures co-ordination among them.

Successful Mediation of an NGO in a Slum Area of Cairo, Egypt

Hikr El-Sakakini is a Cairo slum area of 12 000 inhabitants, most of whom are income poor. Being built informally, the area used to lack basic infrastructure services. The Coptic Evangelical Organisation for Social Services (CEOSS), an NGO, has been active in the area since 1986. It offered literary classes, equipped a number of houses with bathrooms, and provided training and skill development for employment. CEOSS also provides limited credits to residents to start small enterprises.

Government regulation prohibits provision of urban services to settlements built on illegally occupied lands, which is the case of all houses in the area. CEOSS created a Development Committee which included a few members of the ruling party, representatives of the District Council and members of the community. The Committee played a pivotal role in bridging the gap between inhabitants of the area and local authorities. The fruits of this work were linking the area to the city's networks of potable water, electricity and sewage. The community partnered the District Council in implementation activities of the networks.⁵

Obstacles that hinder participatory governance

Three over-arching issues make it difficult to entrench participatory urban governance in the Arab States Region. They are: i) weakness of the democratisation process in the region; ii) lack of legitimacy on the part of states; and iii) weakness of civil society organisations.

At the core of all three issues is the weak form of democratisation that characterises the region. Without more far reaching reform in the region, there will be no meaningful decentralisation. Consequently, the space for participation at the local level will remain narrow and will express itself through a limited number of externally sponsored projects. Decentralisation without associated democratisation only amounts to de-concentration of

⁵ Qandil, A. 1998. *Sustainable Livelihoods Approach – Hikr El-Sakakini Neighborhood*, a case study prepared for a seminar on the Sustainable Livelihoods Approach in Egypt, 24-26 May, UMP, UNDP and the Social Fund for Development, Cairo.

functions which is an inadequate response to the many and complex challenges of urbanisation and globalisation. Most states in the region remain wary of allowing increased local autonomy as this could provide power bases for movements that may question the legitimacy of the central state.

The Algerian civil war has acted as a powerful deterrent for governments in the region to pursue democratisation. In the early 1990s, the one party system collapsed in Algeria and the country underwent a period of rapid democratic transition, which led to the Islamist movement taking over most of the country's municipalities and being on the verge of winning parliamentary elections. This precipitated a military coup and resulted in a civil war that still continues.

Three countries in the region have engaged in meaningful democratisation: Lebanon, Morocco and Jordan. Both Morocco and Jordan are monarchies that did not open-up until they were confident that their legitimacy was no longer challenged. Lebanon is a confessional state where democracy is a tool to preserve balance between different religious communities that were at war until the early 1990s. It is anticipated that the success in these three countries will have a 'demonstration-effect' and inspire more substantive democratic reforms in other ASR countries as well.

State legitimacy is intimately tied in with democratic opportunity and practice. The confidence of citizens is often undermined by elections that tend to provide little real choice, and if they do, results tend to be manipulated. For example, the Presidential referendum in Egypt towards the end of 1999 had no choice but to either say yes or no to one candidate, Pres. Hosni Mubarak. Similarly, in Tunisia one of the three candidates received a statistically improbable number of votes, 99%, which suggest that figures were tampered with. Local elections tend to follow similar patterns and are generally considered to be marred by corruption, clientalism and fraud.

The erosion of legitimacy has several negative consequences:

- The widespread lack of a sense of civic duty and responsibility among citizens;
- A deep mistrust of government and prospects of just administration; and
- Great difficulty to activate and mobilise people to take political and developmental processes seriously; in other words, a demobilisation of citizenship.

The weakness of civil society organisations has many origins, but is best understood against the backdrop that community-based organisations are generally built around tribal allegiances and/or extended family and the village unit. In addition, the centrality of religion as an underpinning of social cohesion cannot be overstated. However, these forms of association tend to be undermined by urbanisation processes and patterns. For example, because of the degree of mixing and fragmentation that occurs in cities, clans do not manage to necessarily stay together.

A relatively new phenomenon in the region is the emergence of civil society organisations (CSOs) outside of the traditional, religious and village ambit. This recognition is important to temper unrealistic expectations about the role of CSOs in championing and entrenching participatory governance. Some significant features of this emerging sector include the following:

- CSOs tend to be young and institutionally fragile;
- Most CSOs tend to be stronger at a national scale, with a few organisations working at the local level with substantial capacity;
- CSOs tend to be comprised and lead by a so-called Arab world elite, which militates against grassroots ownership and care;
- CSOs with capacity and impact tend to have a strong religious basis;
- The growth of CSOs continues to be hampered by restrictive legislative frameworks; and
- Certain states in the region have a predilection to create their own NGOs.

Opportunities for the future

In order to consolidate the tentative yet promising steps towards more meaningful participatory practices and democratisation, the following reforms are crucial:

- Invest in the strengthening of CSOs to enable them to articulate and pursue coherent and autonomous agendas;
- Recognise and work with the informal governance systems that function in-between different institutional spheres and build on it;
- Push the prevailing legislative framework to its limit to compel revision and reform in the interests of the poor and a vibrant civil society sector, and;
- Invest in people to enhance economic opportunity, social capital and community cohesion.

CASE 1: PETRA, JORDAN

*Focus: Land management and governance*⁶

Context

In the early 1980s, the B'doul tribe was relocated from the Petra Archaeological Park, where it had been living for generations, to Um Sayhun, a site near the entrance of the park. In 1995, the Petra Regional Council adopted a regional master plan aimed at limiting urban expansion to preserve the archaeological site in Petra. This was done without consulting the local people. Under the new plan, the vertical and horizontal expansion of the settlement of Um Sayhun was strictly limited to prevent encroachment on the park. The B'doul tribe claimed that this plan and the site did not allow room for the necessary expansion of their settlement. The conflict was made worse by the social and political marginalisation of the tribe and its exclusion from decision-making processes.

The main objective of the city consultation in Petra was to deal with the following issues:

- ensuring access to residential land;
- developing existing urban patterns to cope with the development of tourism in the region; and
- enhancing the participation of the local population in land use decisions.

Key ingredients of success

Due to the high levels of tension and resentment, it was critical to design a careful and highly consultative process. The team from Housing and Urban Development Cooperation had to proceed cautiously by first documenting the important issues through participatory research, and then drafting an action plan that looked into areas of possible understanding and compromise. Finally, a formal consultation was held to discuss the issues of governance and access to land.

The key ingredient of success lay in the consultative approach, which did not attempt to undermine the demands of the B'doul people, but rather invited them to participate in finding a solution.

The traditional tribal system of decision-making provided a recognized and legitimate channel for participatory approaches and made it easier to identify local leaders. A main challenge was in including women in the process. In the case of Petra, the city consultation needed to open up the traditional system and broaden the scale of participation to include new stakeholders from amongst the B'doul tribe. This meant, for example, the

⁶ Source material: Juslen, J. (1999). Discussions at the Petra City Consultation. May 1999; Petra Region & the Village of Um Sayhun Profile (1999). Prepared by the Housing and Urban Development Corporation. Jordan; Progress report and work plan (1999). Urban Management Programme - Regional Office for Arab States. Fifth Programme Review Committee Report.

inclusion of women and youth in the process, which was done by holding separate meetings with these constituencies prior to the main city consultation workshop. Some women were also present at the main workshop to take part in the discussions. This was a significant achievement because traditional authorities do not usually seek the views and interests of women and youth.

Lessons for future action

In many parts of the Developing World, modern government institutions co-exist with traditional and, on occasion, informalised governing institutions. Smaller cities and towns in particular are often embedded in regional political systems that overlap with traditional authority structures. In the interest of sustainable and inclusive development it is crucial to involve these constituencies through creative mechanisms that will not threaten their power base, while giving them access to new opportunities for influence within the over-arching governance framework. In other words, these leaders need to recognise that their interests can partially be achieved within a more democratic and representative political model. Larger cities have to contend with informalised power brokers, especially in low-income neighbourhoods, who act beyond the purview of formal political accountability. It is crucial that participatory governance be as inclusive as possible and further ensure that powerful and potentially threatened parties are involved in the process. The lesson from this, based on the Petra experience, is that the municipality's commitment will be tested by their willingness to accept and implement the outcome of the process.

CASE 2: CITY CONSULTATIONS IN THE ARAB STATES REGION

Focus: The Centrality of the Media⁷

Background information

The Arab States region has carried out a multitude of city consultations focusing on poverty reduction, environmental management, and participatory urban governance. Given the specifics of political institutions in these contexts, it was consciously decided to make the mainstream media an integral part of the city consultation processes.

Key ingredient of success: active involvement of the media

A large measure of success has been achieved by bringing the media actively into the city consultation processes. The involvement of the media ensures that the city consultation processes are conducted as a high profile activity, subject to public scrutiny. The presence of the media also provides an added incentive for the stakeholder deliberations to be constructive, rather than destructive, and in the process nurture an enabling culture. Poorly monitored and publicised consultations in other contexts can easily become unproductive and unfocussed because participants are tempted to recede into grand-standing and finger pointing as opposed to constructive and critical engagement to find joint solutions. The media also assists in enhancing the awareness of the public about key milestones in the consultation process, thus promoting ongoing interest.

This process has gained so much momentum that UMP in the region established a formal partnership with a pan-Arab media NGO network called the NENA Forum. Through this mechanism, it is possible to jointly look at strategies to improve media participation and especially build understanding amongst journalists about the objective, the nature and the importance of city consultation processes. In the Arab states, they are proactively devising strategies to educate and involve the media to recognise the news worthiness of these processes, which further reinforces the transparency and accountability of city consultations.

⁷ Source Material: Arandel, C. (1999). Presentation at the NENA Urban Forum Second General Assembly Meeting, Petra, May 26-29, 1999; Progress report and work plan (1999). Urban Management Programme - Regional Office for Arab States. Fifth Programme Review Committee Report.

An explicit strategy to involve and engage the mainstream media is helpful to achieve the following objectives with regard to city consultations:

- To generate a sustained dialogue that will continue well beyond the formal city consultation process. If a culture of sustained engagement is embedded in a municipality the consultation will have a long-term positive impact; and
- To involve the broader citizenry in the crucial phase of work that lead up to the formal city consultation. In this phase political commitment is fostered to ensure that the local authorities accept and implement the outcome of the city consultation process.

4.3 LATIN AMERICA REGION⁸

Urbanization trends and critical urban challenges

The Latin American city, a key nucleus in the development of the region, is experiencing fundamental transformations in its political, social and economic structures. One relevant aspect of this process is the renewal of the relative importance of local space in relation to the central state and national spaces. The expression of discontent and conflicts related to urban poverty and social problems—inequality, the instability of the labour market, and the impoverishment of the city—appear to be generated and experienced locally. These problems represent unsatisfied demands and unresolved conflicts derived from the competitive nature of economic, social and political interests in the urban setting.⁹

Urbanisation Trends

During the last decade, the Latin American continent consolidated its process of urbanisation. The region's urban population, which in 1970 represented 57.2% of total population, reached 73.4% in 1995. The region has now reached levels of urbanisation similar to those of the most developed regions in the post-industrial world. Parallel to this process, both the rate of urban growth and the rate of population growth have been declining.

Within the region, however, there are stark differences. For example, the degree of urbanisation in South America is 78 percent, while in Central America it reaches only 68 percent. Between and within countries, the differences are still greater. Some have consolidated their urban character, notably Brazil, Mexico, Colombia, Peru, Argentina, Chile and Uruguay, and others are facing the typical situations linked to rapid urbanisation processes, especially in Central America.

In general, population distribution patterns are expressed as increases in the number of urban localities and as an expansion of their surface area. Although there is a tendency towards metropolisation in the region—in 1995 almost 40% of the urban population was concentrated in cities with more than a million inhabitants—like Europe and North America, the population's participation in large cities tends to diminish. In the majority of the region, the great metropolitan areas have lost in relative importance to national urban contexts.

Intermediate cities are taking on an increasing importance in the region. Large central cities are decreasing their levels of population growth, particularly in central areas, and the majority of growth is concentrated in peri-urban areas.

⁸ This section is based on the paper: Winchester, L. 1999. 'Latin American Regional Overview.' Background paper prepared for the UMP Governance Policy Paper.

⁹ Rodríguez, A. & Winchester, L. 1999. "Fuerzas Globales, Expresiones Locales. Desafíos para el gobierno de la ciudad en América Latina". In *Ciudades y Gobernabilidad en América Latina*, (eds.) Alfredo Rodríguez and Lucy Winchester. second edition. Ediciones SUR, Colección Estudios Urbanos; Rodríguez A. & Winchester, L. 1996. "The Challenges for Urban Governance in Latin America: Reinventing the Government of the Cities". In *Cities and Governance. New Directions in Latin America, Asia and Africa*, ed. Patricia L. McCarney. Centre for Urban and Community Studies, University of Toronto: Toronto.

Urban Challenges

The actual tendencies of urbanisation in the region present challenges related to the persistence and accentuation of long run problems that today take on new importance and new ways of expression. One of the salient issues is poverty.

In the 1990s, the poor in Latin America were concentrated in cities. This is a new demographic reality and a growing phenomenon, one that has deepened over the past 20 years. Although the total percentage of poor in the region has only slightly increased, the poor increased from 29% of the urban population in 1970, to 59% in 1990. Over the same period, the poor rural population decreased from 67 to 61%. The major concentrations of poverty are now situated in urban areas, which indicates that the situation has practically reversed in two decades. While 63% of the poor in Latin America were found in rural areas in 1970, today, 59% of them live in urban areas. In absolute numbers, it also signifies an increase in urban poor from 44 million to 115 million persons.¹⁰ This concentration of poverty in urban areas expresses itself in diverse forms of exclusion from the benefits that urban life offers, and has created an increasing unsatisfied demand for stable employment, housing, infrastructure, services, integration and participation.

Inequalities in incomes and opportunities between the rich and the poor have increased in relation to the 1970s. Latin America suffered huge setbacks in this issue during the eighties—recession and debt crisis—leaving the region in a worse position than in the beginning of the seventies. These inequalities find their expression in the cities. The concentration of poverty in the city has reinforced the traditional spatial segregation characteristic in the region. However, the landscape of city segregation today is quite different from before. The relation between urban space and economic inequality is more complex. On top of poverty pockets, we find the self-segregated high-income groups (private fenced in neighbourhoods), and less physical distance between poor districts and richer areas. This modification is not equivalent to integration; socio-economic inequalities impede social integration, and tend to fragment urban spaces and provoke an increasing devaluation of public spaces, generating situations of violence, criminality and other social pathologies.

In addition to the concentration of the poor in the city and huge existing inequalities, the city itself has grown poorer during the last two decades. This is expressed by a decrease in the capacity of cities to maintain public services, physical infrastructure and in extreme cases, to maintain security.

Given these challenges, certain issues in the management and development of cities gain in priority: the strengthening of local governments, the citizenry and participation, the field of planning and urban management, as well as the efficient production of the city and the capacity to provide appropriate levels of public and social services. At the core of meeting these challenges is a growing emphasis on decentralisation of political, fiscal and symbolic power to local levels. However, as yet this trend is mixed and its significance ambiguous.

Decentralisation in Latin American

Latin America faces recent decentralisation processes whose most relevant reforms have occurred during the past two decades. This is a recent and ongoing process of institutional change in Latin America, supported both by those who see it as a mechanism for reducing the control of capital by the State and the scale of the State in general, and by those who see in it the possibility of greater democratisation of the State and civil society. Although decentralisation processes are present throughout the region, reforms seem to emphasise new distributions of responsibilities and functions—de-concentration—rather than a real redistribution of power. This echoes similar trends in the Arab States Region and Sub-Saharan Africa.

A short review of what has happened in the region shows us that a large part of the countries have begun decentralisation processes, have promulgated new laws, or produced important changes to previously existing

¹⁰Economic Commission on Latin American and The Caribbean (ECLAC) 1994. *Panorama Social de América Latina*. Naciones Unidas: Santiago, ECLAC.

legislation on local and regional governments. Chile, Bolivia, Colombia, Venezuela and Brazil have seen legislative reform in favour of decentralisation during the last twenty years.¹¹

In the region, a great diversity of experiences and strategies—political, administrative and financial—are expressed, whose specificity is closely related to the economic, political, institutional and historical characteristics of each country. In general, however, these reform processes encompass different levels of state structure, the most significant being political–political administrative–and budgetary reforms.¹² We will now explore each in turn.

- **Political reforms** have resulted in the establishment of new governments or regional municipal administrations, and additionally, of new systems of political representation and participation of civil society. More and more, the number of countries that have established the direct election of local authorities have increased, as well as those that have implemented mechanisms that promote more citizen participation in local affairs. These electoral systems, however, do not necessarily guarantee an acceptable level of representation. They are centralised structures that consolidate major political party supra-structures, with little representation of the citizenry and little control by the electorate over elected public offices. Although in almost all of the political constitutions of the region municipal autonomy is legally recognised, true autonomy of local government does not occur, due to the persistent centralist character of Latin American political culture.
- **Political administrative reforms**, through which greater attributions, functions and responsibilities are provided to municipalities and, in some countries, to the regions. This is especially true in relation to the planning of public investment and social development, as well as in the provision and administration of services. While traditionally the action of local governments has been restricted to the administration of basic public services (water, sewage, electricity, garbage collection, etc.), the new attributions have permitted these levels of government to widen their area of intervention to include other state functions. In particular, the provision of social services (health, education, social programs) and the promotion of development by way of investment planning are functions of local government. These new functions, however, are shared with other levels of government and generally are not completely assumed as a local responsibility. Thus far this approach has had mixed impact resulting in part in role confusion, a disjuncture between new responsibilities and levels of financial autonomy and adequate capacity.
- **Budgetary reforms** via increases in resource transfers from the central government have structured a new financing plan for the regions and municipalities, which has meant a substantial increase in resources

¹¹ The following legislation is of note:

- In Chile, the Municipal Income Law of 1979 tripled available resources; in 1981 the central government passed the responsibility of administering education and health to the municipalities; in 1992 the Constitution was revised to permit elections of councilors and mayors; and in 1993 the first regional governments were established.
- In Bolivia, the municipal reform of 1985 established local authority elections every two years and authorized the municipalities to collect taxes and to define investments. The law of popular participation assigned new responsibilities to the municipalities; “municipalized” the national territory and granted attributes to territorial social organizations (Law of Popular Participation 1994)
- In Colombia, the municipal amendment of 1986 established popular election of mayors, increased the available resources to the municipalities and granted new responsibilities to the municipalities. Participation was recognized by the Constitution of 1991; later municipalities were assigned health and education services.
- In Venezuela, the first popular governors and mayors election occurred in 1989. Due to new authorities’ pressure, services and functions transfers to the states and municipalities began in 1991, and an amendment of the constitution was submitted to the Parliament in 1992.
- In Brazil, the Constitution of 1988 strengthened the political, administrative and financial autonomy of the municipalities. Through the promulgation of constitutional organic laws by the cities, the municipalities establish their own administrative political organization.
- In Peru, the Constitution of 1979 established a decentralized government organization. Regions were constituted and regional governments were elected.

Drawn from: Rodríguez, Alfredo (coor.) 1994. “Final Report. Electronic Conference on Decentralization in Latin America”, International Development Research Council, Riadel, www.riadel.cl.

¹² Rosenfeld, Alex 1994. “Descentralización y gobiernos locales en América Latina”. Urban Management Programme.

to perform their functions. Fiscal decentralisation in Latin America has been implemented by way of two types of reforms: those which permit an increase in locally generated resources, and those that increase transfers from central to sub national government. In spite of efforts, income sources tend to be very centralised, although this is more moderated in federal regimes, as is the case of Argentina and Brazil.¹³

Income structure by levels of government in selected countries, 1992-1993				
Level	Argentina	Brazil	Colombia	Chile
Local	8.2	15.8	16.6	11.8
Intermediate	34.0	29.5	11.4	2.6
National	57.8	54.7	71.9	85.7

Source: ECLAC, based on case studies for the Regional Project on Fiscal Decentralisation ECLAC/GTZ, 1996.

Although there have been important advances in fiscal decentralisation in various Latin American countries, the participation of local governments in national public finances is still very low (between 10 and 15%). The structure of municipal finances is very fragile and municipalities generate a very small proportion of their budget. Scarce fiscal autonomy and dependence on external resources, like intergovernmental transfers, characterise municipal fiscal structures. Municipalities have little access to debt instruments and there is a generalised lack of co-ordination mechanisms with other levels of government. As a consequence, local governments tend to suffer a permanent financial deficit, making local strategic management difficult.¹⁴

The process of decentralisation has not been straightforward. In spite of deconcentration of functions, real decision-making power in government and society is highly centralised on a national level. Municipalities are generally weak with limited attributions in urban policy and where short-run decision-making horizons dominate the planning culture. Urban service delivery institutions are fragmented and uncoordinated and generally not present at a municipal level. And government—on a local, mezzo and national level—is bureaucratic and inefficient in its management functions. Decentralisation in the region must be interpreted in the context of globalisation processes, the reform of the Latin American State, democratisation processes, and the struggle against social exclusion, inequality and poverty.

Achievements and Impact of Participatory Governance

It is difficult to speak of the achievements of participatory governance. Perhaps the single most important 'achievement' of these practices is that a broad, incipient process of local participatory engagement between government and civil society may now be observed in Latin America. Most likely, this is a result of broader global processes, as well as national ones. Without a doubt, however, concrete experiences of democratic engagement at local levels contribute to building a societal fabric of participatory governance.

These local practices take on many forms and embrace different actors and dimensions, as the experience of the Latin American and the Caribbean Urban Management Programme demonstrates. Some of the participatory governance trends are summarised here, partially reflecting the direct experiences of UMP-LAC.¹⁵

¹³ ECLAC 1996. "Descentralización fiscal en América Latina. Balance y principales desafíos". ECLAC/GTZ

¹⁴ Aghón, G. & Edling, H. 1997. "Descentralización fiscal en América Latina: algunas lecciones y nuevos desafíos". In *Descentralización fiscal en América Latina. Nuevos desafíos y agenda de trabajo*. ECLAC/GTZ: Santiago.

¹⁵ This section is based on the document, "Gobernabilidad Participativa, Documento de Posición". Documento preliminar, Tercera Reunión de las Instituciones de Anclaje, by Rocío Lambera, PGU-LAC, 1998.

- *Reconstitution of relations between citizens and local governments.* Local government may seek the involvement of its constituency in decision making through direct or semi direct democratic practices, via representation, or by a combination of these modalities: *mesas de concertación* (see Chapter 5), advisory councils, development committees, public assemblies, participatory budgeting. Government guarantees the right for citizen or popular based initiatives through legislative reform, e.g. Brazilian Constitution of 1988, Constitution of 1996 of the Federal District of Argentina, Buenos Aires.
- *Democratisation of local public administration and management.* Such initiatives tend to focus on improving levels of transparency, responsibility, equity and accountability as well as effectiveness and efficiency. A key strategic area is the sharing of reliable, understandable and useful information using mediums such as civic education campaigns during election periods, local TV, media campaigns to communicate local government vision and image, expanding public knowledge of criteria to access public funds, etc.
- *Embedding democracy in specific territories/neighbourhoods.* Various initiatives are in evidence to achieve integrated territorial/locally-based urban development planning. For example, in Mexico City the new city wide government helped to facilitate a local participatory planning process with community based organisations, an NGO, local inhabitants and the local municipality in a very poor sector called Mesa Los Hornos. As part of this process, the municipality decentralised itself into area-based service centres within the shanty town to achieve maximum input and responsiveness to local needs.
- *Targeted interventions to reach excluded sectors.* Excluded sectors include poor people, the unemployed, foreign migrants, women, youth, children, ethnic groups, among others. Different participatory methods and processes are used to involve these groups. One of the fastest growing and innovative ones focus specifically on children and youth. Box 4.1 below provides more information.
- *Restoring the culture of peace.* The city of Apartadó, Antioquia, is a symbol of intense and violent conflict in Colombia—guerrilla groups, economic crisis, drug traffic, para-military groups. Civil deaths total more than 1,000 persons since the start of the war. This city is also a symbol of the victory of the culture of peace over violence, through processes of local democratisation. The mayor of Apartadó and her local government called together all actors present in the area in a process of consensus building to elaborate conflict resolution and development strategies for the city. The capacity to dialogue was recovered, municipal services and the quality of life have improved and *barrio* organisations are active again.
- *Education and training for local democracy.* Civil society and local government are trained and educated in the culture of participation, democratic practices and in effective management. They are also educated to work together.

Obstacles and Challenges to Institutionalising Participatory Urban Governance

Perhaps the greatest challenge for participatory governance in Latin America is to ensure its maturation and irreversibility. This is a difficult task for a number of inter-related reasons which are briefly summarised here:

- In general terms, inadequate capacity and insufficient resources are the two primary obstacles that undermine meaningful decentralisation and participatory governance processes. Capacity problems are located at sub-national levels of government; these problems are structurally reinforced by the continued decision-making power of the centre regarding the budget of local governments.
- Inadequate policy direction with regard to the inter-relationship at the local level between local government and other central and provincial actors who also operate at the urban level.
- Continued failure to consolidate the changing local government institution in the wake of consecutive reform processes over the course of the last twenty years. Consequently, municipalities are generally

Box 4.1: Participation, children and youth

Participatory experiences by children and youth are quite wide spread in Latin America. Some of the cities that have experimented with projects are the cases of Barra Mansa, Independencia, Guyana, Cotacachi and Mexico City. All are UMP supported efforts in the region. In general, these innovative experiences involve local governments that promote democracy and the participation of children and youth in the form of consultations or advisory councils. These experiences are closely related to the formation of citizenry. In the area of governance, the generation of participatory spaces in local government for children and youth favors the development of participatory democracy.

A diversity of actors are involved in these experiences, which are mobilised in the functioning of the project: civil society organisations, public organisms, schools, universities, churches and NGOs. In addition to strengthening links between children and youth and municipalities, linkages with the society at large are improved and deepened, contributing to the strengthening of social networks. The processes of consultation and children councils also help to increase self-esteem and abilities for learning. When the participation processes include elections and electoral representation, the experiences contribute to the education of future voters. When participants must identify problems and solutions, and analyse local reality, the experiences contribute to the formation of a responsible citizenry. And when children and youth must formulate, set priorities and manage projects, they become familiar with the procedures of public management.

In 1998, the prefecture of Barra Mansa implemented the children advisory council for participatory budgeting. During 1998, through barrio, municipal and regional level mechanisms, children and youth discussed and defined priorities and elected their representatives to the council. The council defined 12 projects to be implemented by the prefecture during 1999, towards which US\$ 81,000 was allotted from the municipal budget. In all, 6471 children and youth participated in the process, electing 615 regional delegates and 158 municipal delegates. During 1999, this process was repeated and a new advisory council was elected to define budget priorities for the year 2000, for children and youth. Similar initiatives are underway in Guyana Municipality, Veneuela; Cotacachi, Ecuador; City of Independencia, Brazil; and the 'You also Count' initiative in Mexico City, Mexico.¹⁶

weak institutions, with little economic, political and ideological power. They are limited in their autonomy, authority, legitimacy and management capacity.¹⁷

- The nature of local government is often also a serious obstacle to participatory governance. Most local authorities tend to reproduce a highly bureaucratic form, i.e. inordinately rules-driven and insufficiently concerned with actual outputs and impact. This is most commonly reflect in the traditional management model discussed in Chapter 3. This tends to coincide with a narrow decision-making process which excludes other territorial actors.¹⁸
- The institutional weaknesses of local authorities are often exacerbated by relatively weak community-based organisations, who in turn tend to be atomised and incapable of exerting substantive democratic pressure on local authorities.

Professional NGOs on the other hand have become overtly involved with local authorities as service providers to substitute for the state's incapacity. However, in the process these NGOs become impotent as independent, critical voices supporting a democratic governance framework.

And finally, the processes which link government and civil society in more horizontal ways are essentially processes of institutional and cultural change that, as with all processes of social change, awaken certain resistance along many fronts. For example,

¹⁶ More information is available in: Winchester, L. 1999. 'Latin American Regional Overview.' Background paper prepared for the UMP Governance Policy Paper.

¹⁷ Prates Coelho and Diniz 1999.

¹⁸ Salinas, 1998.

- among agents of central governments that lack trust in regional and local governments and their management capabilities, or fear that the process will fall prey to clientelism;
- among the traditional political actors, whose power was always supported by central state and who see a possible loss or redistribution of their political clout;
- among local political actors who oppose the participation of new actors with political power;
- among municipal employees who see change as a threat to their style of public administration;
- among the social actors whose point of reference, through networks of clientele, was always the central government.¹⁹

CASE 3: ENGENDERING CITY CONSULTATIONS IN LAC

Focus: Linking Gender Equity & Participatory Governance

Background

In the last decade of the 20th Century, cities in Latin America and the Caribbean have experimented with important processes that have recognised economic, social, political and cultural specificities and which have impacted, in different ways, on different social groups, including women and men. Access to employment and to house ownership, violence within the family and within the city and participation in local decision-making are all areas in which major inequalities between the sexes are evident. The composition of the urban population shows a tendency for more women than men to live in cities and there has been a notable and rapid increase in female-headed households in urban areas.

Due to this situation, the 1990s have seen an increase in the mobilisation of women's groups and women's organisations in cities. Their struggle has gradually moved from struggling for the material needs of women associated with unfavourable living conditions to striving for their rights as equal citizens.

Additionally, the processes of state reform and decentralisation in many countries of the region have produced diversification in the functions of municipalities and local governments, creating space for the creation of dedicated gender desks/offices. Moreover, this mechanism has improved the prospects of integrating the demands and the participation of discriminated groups, such as women, who are usually excluded from decision-making power.

In this way, despite the limited representation of women in local decision-making, several initiatives have emerged in favour of gender equity. This has occurred within social organisations and local authorities in many countries in the LAC region. It is crucial to recognise such experiences and promote exchange, so that real changes in the management of the cities, in governance, in power relations among men and women at the local level and in the people's mind can be advanced.

Regional competition to foster gender equity

Various United Nations agencies and the Latin American and the Caribbean Federation of Women in Public Office jointly launched a regional competition for municipalities. It is an innovative project to compel municipalities to publicise and market their initiatives to address the unequal position of women and adopt a gender equity perspective in urban development and institutional practices. The 1998 competition produced a significant number of high quality entries, which provided an excellent foundation for expanding the initiative. A second competition is underway for 1999-2000, with the title 'Affirmative Actions for the promotion of the participation of women in local Decision Making'. Both events form part of the broader UN campaign for the rights of women: 'A life without violence is our right'.

¹⁹ Rodríguez and Winchester 1996, 1999; Velásquez 1994:

From a UMP perspective, the competition has a powerful complementary role in its goal of achieving equality between men and women in cities by identifying, disseminating and strengthening initiatives that are being developed at the urban level. Some of these initiatives have been articulated as part of the City Consultations, especially those concerned with participatory governance.

Elements of success

From the 31 entries in the first regional competition various factors can be extracted that have determined their success in the search for participatory governance, with an explicit commitment to advance equity among men and women.

- The participatory initiatives in urban management and the identification and formulation of local social policies have come about through the organisation and pressure of citizens or of groups of women with the capacity to formulate proposals and engage in negotiation.
- The majority of initiatives have developed a process of institutionalisation (local laws, municipal offices, public policies) with or within the municipal body, all through public participation, which guarantees not only the direct transmission of demands and proposals from interest groups, but also the sustainability of the process.
- Change is most likely to happen if there is strong political will to achieve it. Where the initiative comes from local government, as was the case with Guayana City (Venezuela), a key factor is the conviction of the local authority in understanding and addressing questions of equality as central to democratisation and governance.
- It is crucial to introduce gender equity concerns and demands at the outset of municipal planning and budgeting cycles. This makes it easier to track implementation and ensure that such initiatives are adequately resourced and seen as an integral part of the local authority's activities.
- Another factor in success, in the majority of cases, is a strong linkage of initiatives by women's organisations at grassroots level with feminist organisations. This allows for experiments in changing social relations to spill over into the broader community outside of the local authority.

Obstacles to a participatory focus in governance

The traditional form of urban management, planning and government does not identify or address needs and proposals disaggregated according to different social groups, such as women. It is not always easy to reform or replace the traditional ways of urban planning and management. Gender initiatives are developed in an isolated informal manner, instead of developing policy and institutional prescriptions that cut across all areas of urban management and the development process.

There is a lack of dedicated institutional mechanisms to promote the inclusion of gender equality in urban management. This is a common obstacle, especially if a gender unit is created as a ploy to placate interests groups but is significantly under-resourced and under-staffed. There is a lack of adequate popular interest in and support for the initiatives contained in the urban development agenda.

Lessons for future action:

The competition profiled and promoted a series of Latin American and Caribbean initiatives, which were geared towards transforming governance and urban management in a participatory manner, incorporating equality among men and women. This tool creates an important incentive for municipalities to institute their own initiatives, or alternatively, improve the quality of the ones they already have, so as not to lag behind their peer municipalities.

Evidence from the region indicates that it is necessary to create and maintain spaces for communication and sharing of information in order to achieve real change and the possibility of urban management and participatory governance with equality.

The election of women to decision-making positions should be promoted and articulated in the processes of governance. The presence of women elected to local decision-making fora within local government constitutes an important basis for sustaining the success of participatory processes. This, along with participatory democracy, can lead to the systematic institutionalisation of gender equality achievements and durability.

A formal commitment to gender equity will, by definition, lead to much greater involvement of people in general, but above all, of interest groups. It can serve as a powerful catalyst to deepen participatory governance.

CASE 4: MESA DE LOS HORNOS, MEXICO CITY

Focus: Consolidation of land claims through land regularisation

Background information

Mesa de los Hornos is a settlement situated on the South of the Delegation of Tlalpan, in the southern urban fringe of Mexico City. It has a population of 6000 inhabitants and covers 32 ha. It originated in the sixties as an irregular settlement, inhabited by people whose main occupation was brick manufacturing. Most of the population receive an average income equal to the minimum salary in force for the City, and this poverty is compounded by serious unemployment.

This settlement is, to a large extent, the result of an interesting process of community-based organisation and of negotiation with the authorities governing the area, with support from NGOs. Originally, the inhabitants were mobilised in four organisations: Union Colonias Populares (UCP), Tlacaclael, Asociacion San Bernabe and Asociacion de Horneros. Each organisation struggled for land regularisation and urban improvement.

In the past decade, this settlement constantly remained under the threat of eviction. Due to pressure exercised by social groups and to the complex situation of irregularity (land tenancy, services, equipment, housing quality, amongst others), this settlement was subjected to an Urban Development Plan in 1989-91, and consequently considered a Special Zone of Controlled Development (ZEDEC). In the wake of this initiative, a local NGO, the Centro Operacional de Vivienda y Poblamiento (COPEVI, A.C.), participated as consultant to a number of community based organisations in the settlement. As a result, the whole plan was developed through the creation of a Technical Committee (including NGOs-CBOs), which discussed the diverse proposals with the local authorities.

This process came to an end with the approval of a Partial Plan for Urban Development (January 1991), which formally regularised the tenancy of land and proposed the need to develop urban services and equipment. This had never been accomplished before.

The change of government in 1994, and in general the macro-political transformations in Mexico, instigated strong pressures for the improvement process in Mesa de los Hornos. This resulted in splits amongst the CBOs (currently seven remain) and also in manipulation of the agreements related to the operationalisation of the improvement plan, by the Local Government representatives, in favour of the groups attached to the institutional party (PRI). For these reasons, amongst others, the Technical Committee was dissolved and the process of regularisation and development of services was stopped.

Institutionalising Participatory Governance

Considering this background and the favourable democratic changes in Mexico City's political arena, the consolidation process in Mesa de los Hornos has been reinitiated in a process of re-convening different stakeholders. The stakeholders congregate in an institutionalised and legitimised sphere, called the Consejo Coordinador de Planeación Participativa – (CCPP). It is comprised of the City's authorities (The National Ministry of Housing and Urban Development - SEDUVI), the local authorities, the CBOs, the unorganised population and Copevi itself.

The Co-ordinating Board for Participative Planning (CCPP) has the mission to achieve a consensus to carry on the Program for the Integral Urban Development. It bases its actions on the tripartite methodology of harmonising actors and operates in terms of a bylaw that was collaboratively developed by all parties. In an effort to legitimise leadership and to bring forth new leaders, an election was held in each zone to elect the representatives of the CCPP. These directly elected representatives are established as Zonal Committees. Their mission is to operationalise actions, to define and highlight the needs in the zone and to communicate the progress of the program.

Undoubtedly, CCPP and the Zonal Committees have come to be crucial instruments for the development of the process and for encouraging the desired impact on the vertical relations, which have prevailed between the government and the citizens. It complements other representative and deliberative democratic processes such as elections, the making of formal decisions, discussion and negotiation.

Both bodies have played a crucial role in the three general phases of the project:

- participatory diagnosis, which included a gender-conscious approach to disaggregate the respective needs and roles of women and men;
- proposal and legalisation of the program for urban regularisation and renewal; and
- development of programs and actions with the general purpose of backing participatory governance to ensure effective responses to urban poverty, encouraging economic sustainability, and restoring an environmental awareness, along with an explicit gender equity approach.

Difficulties in the process

In spite of progress, stress and difficulties have been present throughout the process. Probably the more remarkable ones have occurred in the process of establishing a more democratic type of relationship and in reaching a consensus. The traditional political culture of top-down decision-making in Mexico has tended to prevail over the interest of a real change. For example, it was extremely difficult to achieve commitment from new local authorities to seek the benefits of an integrated approach. The traditional sectoral approach, which militates against integrated development actions, remained entrenched.

The political context and culture tended to undermine the ability of the local authority to enforce their decisions and role. Processes tended to become stuck in ongoing discussion pools that were unable to produce concrete agreements. Due to a lack of experience, the authorities pretended to listen to and include everybody's approach, without fully understanding the necessity of establishing clear boundaries and rules for such processes.

The CBOs in turn were trapped in their own organisational culture issues. They tended to fail to distinguish between when there was a need for pressure-based strategies and when it was acceptable to compromise and accept small but strategic achievements. The CBOs were anxious not to lose their identity and therefore tended to be vulnerable to political elements that had a vested interest in conflict with the authorities.

A fourth difficulty that delayed the development of actions was the over-politicisation of the context in the Federal District and in the Delegation (local authority) because of the upcoming election. The local context required urgent and speedy action, but in light of an upcoming election, political interests tended to overshadow technical tasks.

Lastly, the process and outcomes suffered because of the absence of a properly thought through communication strategy to underpin all aspects.

Significant lessons

Important lessons for future actions can be extrapolated from this experience. Firstly, even if a process is participatory it is critical that there is always a clear definition of roles, responsibilities and tasks to avoid

conflict and disagreements, which can either stall or terminate an initiative. In addition, mechanisms must be established to ensure that all information relevant to the process and outcomes is continuously circulated and deemed accurate by all stakeholders.

Secondly, in polarised political environments it is crucial to factor in the broader political calendar to ensure that elections and other significant dates do not undermine the process, as political interests tend to polarise during such times.

Thirdly, participatory processes depend on strong, credible and organic structures behind each stakeholder in the process. Limited capacity and poor organisational bases undermine the capacity of the process. This is a fundamental prerequisite for working inter-sectorally and for institutional responsiveness as new issues emerge. This does not suggest one fixed structure, but rather an institutional framework that allows for an associated structure to deal with each over-arching strategic objective.

Participatory governance processes must extend beyond the organised CBOs and also make an effort to include the unorganised sectors within poor settlements. In the case of Mesa de los Hornos, widespread participation was difficult to achieve, yet the process did result in the enhancement of the vision of the whole settlement. This then creates a basis for continuously drawing in under and un-represented interests.

Lastly, in such settlement regulation and consolidation processes it is crucial to recognise the differentiated needs and impact of men and women. A gender analysis and approach must be incorporated into every aspect of the process, starting at the moment of diagnosis, through to planning, implementation and monitoring. It requires adopting and using special methodologies to extract gender specific information and targets.

CASE 5: MARANGUAPE, BRAZIL

*Focus: Environmental management and participatory budgeting through community-based initiatives*²⁰

Background

Maranguape is located in the Fortaleza metropolitan region in Brazil. It has 82,000 inhabitants (distributed over 17 districts), of which approximately 61,000 live in the urban areas. The main urban problems in Maranguape are environmental degradation, a high level of illiteracy, hunger, poverty and unemployment.

The city consultation in Maranguape focused on two linked components: environmental management and participatory budgeting. The methodology used in the city consultation consisted of meetings, seminars, stakeholder training on governance and research on municipal laws. The environmental management component was carried out in the district of Guabiraba, which has a history of active participation and a large variety of public institutions. With regard to the participatory budgeting component, the main objective of the task was the election of municipal councillors to represent the 17 districts. This would ensure that there was adequate political drive behind the democratisation of the budgeting process, which serves as an important counter-balance to the power of the municipal officials.

Success factors

The process was characterised by a very broad base of participation and the active role of the media in popularising and promoting the initiative.

²⁰ Progress Report and Work Plan (1999). Urban Management Programme - Regional office for Latin America and the Caribbean. Fifth Programme Review Committee Report.

There was also active participation by several municipal sections and departments. For example, municipal council committees for sustainable development and labour, the secretary of finance and administration and the secretary of infrastructure and environment, all took an active role in the process. Social organizations, such as the union of community entities, community-based TV, radio and newspapers, were also actively involved in the consultation process.

Some obstacles to a more participatory approach to governance

There was some resistance from municipal employees, mainly because they were afraid of changes related to the broadening of public participation in the decision-making process. Employees were unsure whether they would lose their autonomy to perform their duties and felt threatened by broadening accountability mechanisms.

There was also a lack of support at a higher level by municipal councillors, as they did not participate actively in the consultation process themselves. Instead, they left it up to council officials, which made it difficult for them to develop a sense of ownership and leadership in the process.

Lastly, certain sections within the community were sceptical about the usefulness of setting long-term objectives as opposed to developing immediate solutions to the problems they were experiencing. This resulted in significant difficulty in gathering the community together to discuss new themes with longer time horizons, instead of concentrating exclusively on short-term improvements.

Lessons for future action

The time and energy involved in mobilising community structures should not be under-estimated. Gathering all participants together usually takes longer than anticipated because of the limited inter-connection and structured communication between social organisations. The city consultation process is an effective tool to increase the space for democratic participatory practices, specifically to increase the participation of women in the decision-making process, and develop joint actions between the government and civil society.

4.4 SUB-SAHARA AFRICA REGION

Urbanisation trends

Urbanisation in Africa has been growing at an annual rate of 8.1% between 1990-2000 and this average will increase to 11.6% annual growth during the next decade. Only twenty years ago, Africa was only 23.3% urbanised. In 2000, it is estimated to be 34.3% and this will rise to 46.2% by 2020.²¹ These trends make Africa the least urbanised region, but at the same time it boasts the fastest rate of urban population growth.

About two-thirds of the urban population live in informal settlements, largely without adequate sanitation, water, power, transport or health services. In 1996, indicators for Sub-Saharan Africa showed that only 37.2% of urban households are connected to potable water sources, as compared to 60.2% average for other developing countries.²² Of these, 12.9% are connected to the sewerage system, in comparison to 42.7 percent for developing countries. These figures are stark reminders that the majority of urban citizens are largely condemned to live in poverty and poor environmental conditions. Fifty four percent of the urban population in Africa are youth, which again is much higher than in other regions. This figure becomes really ominous when we consider that Africa outstrips the rest of the World in terms of HIV/Aids infections, which is decimating the young population. Urbanisation processes in Africa are distinctive because of the context of very weak institutional capacity

²¹ Data is taken from: UNCHS (Habitat). 1999. 'Basic facts on Urbanisation', Nairobi.

²² UNCHS, 1998.

within the state, economic stagnation or meagre growth (with a few notable exceptions, e.g. Uganda and Botswana), and weak civil society organisations.

The majority of urban citizens are trapped in vicious cycles of poverty and vulnerability to external shocks such as war, environmental disasters and economic volatility. The most pervasive form of service delivery and provision of essential goods is not the state but the informal sector.²³ Urban governance in Africa cannot be understood or apprehended without full recognition of the salience of the informal governance relations and institutions. This context raises particular challenges in promoting participatory governance in Africa.

In Sub-Saharan Africa, poor households make up 38.8 percent of total population, a greater portion of which work in the informal sector, given that formal sector employment has not been able to keep up with the rapidly expanding urban labour force. More worrisome is that the urban environment is deteriorating fast due to the lack of adequate provision of infrastructure and services, not only in the precarious informal settlements but throughout the cities as well. Structural adjustment programmes have taken their toll, which manifests in extremely limited resources to maintain existing infrastructure, let alone invest in building new infrastructure.

Considering the combination of these trends, it is clear that the challenge in urban development will revolve around the need to reduce the levels of poverty, provide adequate infrastructure especially for housing and services and improve the urban environment. Besides these priorities, there is a need to strengthen local government management, while facilitating the promotion of private sector and civil society participation in management and service delivery.

These challenges reflect a complex set of interactions between the macro-economy and the social-spatial dimension whose urban impacts are manifested as failures of cities to provide services adequately. Most cities are vulnerable to central government expenditure decisions and priorities, because they rely almost exclusively on central transfers. Without fiscal autonomy, local governments are not able to conduct their affairs as need be, and in effect, have been weakening over time. The frail economic environment also compounds the problem because central government expenditure allocation criteria are often structured to favour sector policies that support macro-economic priorities, to the disadvantage of local governments funding. Efforts to improve urban management are espoused by the ongoing decentralisation initiatives, even though the pace and pattern of reforms at the city level are still wanting.

Decentralisation trends

There is a distinctive trend to promote decentralisation and espouse its virtues in terms of greater democratisation, efficiency and leveraging civil society and private sector involvement in urban management. The pursuit of good governance, in many African countries, is intended to improve accountability in the performance of the civil service and through the implementation of democratic and participatory decision making methods and enhance the legitimacy of the local and national tiers of government. These efforts have included political and administrative reforms that facilitate transition to democratic governance; often seen as a necessary condition to facilitate improvements in economic growth and development. In effect, the current wave of decentralisation policies in Sub-Saharan African countries have been prompted by political choices aimed at effecting improvements in economic and social objectives as the long term goals.

In Africa, most decentralisation initiatives are relatively recent, initiated five to fifteen years ago, many of which are still undergoing implementation constraints. In a context of dramatic resource constraints and limited institutional capacity, decentralisation reforms have been undermined by the difficulty in promoting multiple development priorities, which have competing resource requirements. Most governments have not been able to meet these competing demands, let alone synchronise them. This is compounded by a de-politicised approach to decentralisation whereby it is perceived to be a process for improving economic efficiency (in the allocation

²³ Halfani, M.

of national resources), and not a fundamentally political process. Decentralisation initiatives have been implemented with varying degrees of success because, in a majority of cases, these efforts tend to focus on strengthening the presence of central governments at the local government level to the exclusion of district and municipal councils. In other words, the wrong people are targeted for support.

Improving the delivery of social and economic services has tended to consist of the de-concentration—a processes whereby central government functions are assigned to sub-national units within sector ministries—of state functions, despite the existence of local authorities. In effect, decentralisation has become synonymous with the deployment of central government officials to lower tiers of government. The intention has been to establish a system of government administration that would ultimately improve capacity so that the devolution of power and autonomy—discretionary authority given to local levels—would be initiated in local government. In effect, national decentralisation activities typically involve the establishment of solid focal points for rural development at the district level, providing them with clear guidelines on changes in organisation and administrative procedures, capacity requirements and budgetary and financial procedures. Scant attention is paid to supporting decentralisation in urban areas.

Part of the capacity building efforts have entailed organisation of the stakeholder base and restructuring the decision-making process, to ensure that participation (in planning and implementation of projects) is widespread at all levels of the community. Officers of sector ministries, at the district level, however, retain the power and responsibility of project implementation. Despite all, many countries still face financial constraints that have made it difficult to execute all decentralisation projects. Thus, substantive devolution has been slow to take effect, largely because local governments are still accountable to the central government and the extent of their financial dependency would not allow them to effectively engage in the implementation of decentralisation initiatives.

Even then, efforts targeting urban (city, municipal or town councils) local governments are often seen to be part of the process of decentralisation, whose major long-term impacts would involve *strengthening* urban local governments. This entails legal, financial and operational reforms for city management. Yet, few governments in Africa have focused on real reforms for improving urban management, although most decentralisation programmes espouse the need to improve and strengthen municipal management. Where this has begun, it is conducted on a piecemeal basis: for example, political reforms may have been adopted, but financial and management changes are, at times, proposed on an ad hoc basis, in the absence of real changes to the legal framework, and vice-versa.

In this context efforts to support local government management have not been easy, especially between the competing interests of national (political and economic) priorities and local needs. However, with the changes taking place in the political arena, and as city management systems continue to weaken, the need to improve governance and accountability has provided urban local governments an opportunity to raise their own concerns, in spite of resource constraints in the implementation of the urban dimension of the decentralisation strategies.

Obstacles and opportunities to establish participatory governance

Effective decentralisation and the prospects of embedding participatory governance continues to be hampered by the following factors:

- political instability;
- poorly regulated inter-governmental relationships and poor or non-existent co-ordination;
- authoritarian and centralised management styles;
- fiscal dependency or reduced fiscal authority;
- inefficient and ineffective administrations;
- national state control of financial, economic and political power;
- inadequate representation and participation of civil society and political groups; and

- a lack of institutional frameworks and political culture, which translates into apathy, indifference and lack of social mobilisation.²⁴

In spite of the persistence of these features, which manifest to different degrees depending on the context, there is an expanding window of opportunity to introduce various forms of participatory initiatives. The case studies that follow on St Louis (Senegal), Harare (Zimbabwe) and the national regulatory framework for local government in South Africa provide more insight into these opportunities for a more participatory approach to urban management and governance.

The generalised trends towards greater de-concentration and decentralisation in most parts of Sub-Saharan Africa present novel opportunities, however, under very difficult conditions. Municipalities are turning towards the private sector and civil society organisations in a time of acute crisis—financially, institutionally and in terms of political systems. The problem is that partnership-based approaches and outsourcing modalities become more a quick route of crisis than a systematic attempt to reconfigure effective local governance that can address the myriad of urban challenges in a sustainable and democratic fashion. This tendency is compounded by a pervasive reluctance amongst the centre to decentralise meaningful political and fiscal power to lower levels to ensure adequate capability to implement reforms.

In this context the most sensible approach has been to start with small scale innovations focussed on ‘policy content’ imperatives such as poverty reduction or more effective environmental management. This involves painstaking work to bring together municipal officials, councillors and external groups such as NGOs, community-based organisations and the private sector. Through participatory assessment, planning and monitoring technologies, these actors find ways of working together and identifying an appropriate division of tasks and responsibilities between them. Given the desperate need to find new ways of working to address the vast unmet need in most African cities, even parties with vested interests are willing to open themselves up to these processes. The challenge is then to demonstrate very quickly that these participatory technologies do deliver in terms of leveraging additional resources, achieving greater institutional efficiencies and making a more durable impact on the quality of life, especially in poor and informal settlements. Examples of such initiatives across the region can be found in the work of the Africaucus network, the Municipal Development Programme, the Sustainable Cities Programme, UMP, various bilateral donor funded programmes focussing on democratic governance, e.g. USAID, amongst others. There is a great paucity in evaluative analysis about the quality and impact of these initiatives but they do represent the cutting edge in finding action spaces to test and mainstream participatory governance methodologies.

²⁴ Moreno, E. 1999. ‘Local Urban Governance. Historical Construction not Ideological Axiom?’ Unpublished paper.

CASE 6: ST. LOUIS, SENEGAL

Focus: Governance City Consultation

Background to the City of St Louis²⁵

St Louis is a city of 160 000 inhabitants situated 300km north from Dakar in Senegal, very close to the Mauritania border. The city was founded in 1659 by the French colonisers and is built on a number of sand banks and estuarine islands in the Senegal river.

The city is marked by its proximity to water; 20% of its area consists of water and it is situated only 1.5 meters above sea level. Although the city is protected by a number of human made dykes, flooding is a frequent occurrence. Fishing and irrigated agriculture systems are important aspects of the local economy, which have increased competition for access to available water.

The average number of people per household is 11 (above the national average) and poverty is most prevalent among populations living in the centre of town. Only 19% of the population is actively employed, which indicates the widespread nature of poverty in the city.

The four main constraints facing St Louis, identified through participatory diagnostic processes, were the following:

- Low urban economic productivity;
- Rapid and continuing urbanisation with a corresponding lack of growth in employment opportunities or urban infrastructure and services;
- A rapidly growing population especially amongst the poor section of the community;
- A growth of spontaneous and illegal constructions, despite the work of the municipal authorities.

Aspects of challenges confronting the St Louis Municipal Authority

The municipal authority is characterised by administrative limitations and an inability to effectively manage the urban development of the city. This is in part caused by inefficient national decentralisation and devolution policies, a lack of understanding of municipal management and investment functions on behalf of elected representatives and a lack of shared vision concerning the future development of the city.

Despite formal 'decentralisation', the national government and its policies remain omnipresent at the local level. This is visible in the reliance of the municipal budget on a transfer of financial resources from the national level and the continuing role of national government in the control of local land management practices.

²⁵ Source documents: Assises de Saint Louis, Programme de Developpement Communal pour Saint Louis 1998-2008, (1998), Etude realisee avec l'appui du Programme de Gestion Urbaine (UMP ROA), Bureau National d'Etudes Techniques et de Developpement (BNETD, Cote d'Ivoire), La Cooperation Lille/Saint Louis, le Programme de Microrelations/FED (Senegal) et la CCIADL (Secretariat permanent des Assises).

L'Economie Locale de St Louis et du Delta du Fleuve Senegal, Etude de cas du programme 'Relance des economies locales en Afrique de l'ouest' (1998), Programme de Developpement Municipal, Club du Sahel, Bureau d'appui de la Cooperation Canadienne Dakar, Partenariat Lille-Saint Louis/ CCIADL, Organisation de Cooperation de Developpement Economiques.

Le Secteur Informel dans l'Economie de Saint Louis et du Delta du Fleuve Senegal, Document de travail de l' Etude ECOLOC Saint Louis-Dagana (1998), Programme de Developpement Municipal, Club du Sahel, Bureau d'appui de la Cooperation Canadienne Dakar, Partenariat Lille-Saint Louis/ CCIADL, Organisation de Cooperation de Developpement Economiques.

Le Partenariat Lille-Saint Louis, Une exemple de Co-operation Decentralisee (1999), Background document distributed at the Seminaire sur l'Economie et les Finances Locales, Cotnonou-Benin, organised by the Programme de Developpement Municipal. Une experience de Renforcement Institutionnel dans le cadre de la Cooperation Decentralisee Lille/St Louis au service de la production et du developpement economique et social de Saint Louis (1999), Background distributed at the Seminaire sur l'Economie et les Finances Locales, Cotnonou-Benin, organised by the Programme de Developpement Municipal.

These features warrant a strategic role for national government agencies in the urban development of cities such as St Louis.

The structure of the municipal authority is not adapted to its management and co-ordination role. Some of the problems are very basic, e.g. the ratio of professional to administrative staff is instructive: only 2% of the 160 municipal employees are professional administrators and approximately 60% of the municipal budget is used to pay salaries.

The limited professional capacity is dramatically compounded by the virtually non-existent local tax base. Only 0.2% of the total economic value generated by the fishing industry enters the municipal tax collection system and many other taxes remain uncollected. Approximately 15% (1996) of the municipal budget comes from national government, but this contribution is unreliable and can fluctuate dramatically. The irregular money flow from national government stands in sharp contrast with the local need to plan investment expenditure over a period of time.

The UMP City Consultation

The strategic planning process in St Louis benefited from the support of a number of different partners, some of which have been involved with the city since 1992. The role players range from academic institutions in France to Multilateral Development Agencies.²⁶

The UMP City Consultation, managed by the Bureau National d'Etude Technique et de Developpement (BNETD - UMP anchor institution based in Abidjan), built on these initiatives and fed directly into the municipal 10 year planning cycle (98-2008) entitled the Assises de St Louis (the St Louis Forum).

The crucial role of the UMP-BNETD partnership was articulated around the need to raise awareness on aspects of strategic development planning and to encourage adhesion to the City Consultation methodology (an important methodological contribution being the GTZ manual on Participatory Planning). Good personal relationships with the Mayor of St Louis gave the UMP-BNETD partnership an effective entry point and a stamp of approval for their work.

The City Consultation was then organised by the CCIADL. The 200 participants came from a cross-section of stakeholders and the CC was dedicated to debates and discussions to determine the real development priorities of the city. The conclusions of the Forum were then harmonised with the conclusions of the Commissions through a participatory planning workshop following the Forum.

The stakeholders viewed the City Consultation as a novel political approach, which challenged traditional ways of operating by the municipal authorities, elected representatives of the city and the population. It was the first time citizens and representative groups felt that they had a role in determining the development priorities for their city and influencing the local decision-making process.

A donor round table was then organised at which 50% of the required finance for the implementation of the Municipal 3 year operational development plan was pledged. The majority of this funding came from the Agence

²⁶ The different agencies include the following, roughly in chronological order:

- University of Lille, France (decentralised co-operation partnership St Louis/Lille) : municipal diagnostic study - 1992
- Agence Cities Unis (United Cities): elaboration of municipal action plan and creation of CCIADL in 1994 (Co-ordination office for information and animation of local development) as a tool for capacity building at the local level - 1993
- European Development fund: funding provided for the elaboration of local neighbourhood development plans
- Municipal Development Programme and the Club du Sahel: study of the local economy co-ordinated by CCIADL - 1997
- Agence de Développement Municipal (Senegalese national agency for municipal development) funded by the World Bank and the French bilateral Development Assistance Programme and the implementation of their Programme d'Appui aux Commune (Support Programme to Municipalities)

de Développement Municipal, which greatly supported the participatory method used to determine the priority development projects. In other words, the process enabled the city to leverage new forms of (grant) revenue based on a shared plan with clear objectives and outcomes.

Key ingredients of success

It is possible to extrapolate a number of critical success factors. Firstly, the municipality showed a willingness to engage itself in an important participatory consultation process to discuss the development problems of the city. This willingness was reinforced by a number of factors:

- the continual support (financial and technical) of the decentralised co-operation Lille-St Louis partnership to the CCIADL;
- the good relationships established with the UMP-BNETD partnership;
- the position of the Mayor who was at the end of his term of office (with no intention of running again) and felt that he did not have so much at stake to lose and could therefore push through a radically different approach.

Secondly, all other development partners (numerous in the case of St Louis) were willing to define and implement their actions in terms of the framework and process initiated by the municipality, and to share information with different groups.

Thirdly, CCIADL's existence and experience meant that they were uniquely placed to manage and co-ordinate the process because of their inside knowledge of the city and the high levels of trust they enjoyed with many stakeholders based on a number of previous interventions.

Lastly, the use of thematic commissions to enrich the City Profile fostered a shared understanding of the key problems amongst the different stakeholders and leaders who worked in these commissions.

Significant obstacles

The process of the participatory Forum was at times rather heavy and difficult to manage due to the number of different stakeholder views. Getting people and groups to recognise and respect the interests of others was extremely hard. Time and capacity constraints meant that it was not always easy to negotiate different positions while keeping to the pre-established timetable.

Lessons for future City Consultations

The singular lesson is the value and importance of an institution like the CCIADL. The presence of this office—supported by the Co-operation Lille/St Louis and the municipality—was essential to the success of the process. Its experience in the city gave it a unique position as an interlocutor between the municipal authorities, the elected representatives and the different stakeholders. Ownership of the process was assured because it was conceptualised by the CCIADL, which also managed and supported all the different phases. This co-ordination allowed synergies to be established and gave an overall coherence to the process. Secondly, the idea of thematic commissions as a mechanism to help develop the city profile activity is a good approach to promote ownership of the results and conclusions of these 'technical reports'.

CASE 7: HARARE, ZIMBABWE

*Focus: Poverty reduction through urban governance*²⁷

Background information

The population of the city of Harare is estimated to be about 1.5 million. The size of the city increased by about 49% in 1996 after the redrawing of the urban boundaries and consequent incorporation of adjacent farms and properties. The growth rate of the city is approximately 6% per annum, which is high in terms of the pace at which new basic services and accommodation have to be supplied. As the economic and political capital of the country, Harare has attracted a large number of migrants from both rural areas and other urban centres. The rapid population growth of the city has resulted in severe pressure on the meagre services in the city. It has also created problems of unemployment. These are at the heart of the major challenges confronting the city council, but also central government.

Poverty seems to be a growing phenomenon among the majority of households in Harare due to limited opportunities for formal employment, low investment in productive jobs and lack of services. These problems stem largely from poorly managed rural-urban migration and the negative effects of the Structural Adjustment Programme (SAP) introduced in 1991. The SAP required a restructuring of state expenditure, e.g. reducing expenditure on key social services such as health and education, impacting most severely on the poor and vulnerable. Related to the over-arching problem of poverty are a series of secondary concerns such as the lack of adequate housing, disease outbreaks, poor services, and high unemployment.

The City Consultation process

The City Consultation Study on Urban Poverty and Governance in Harare City is a co-operative initiative between the City Council and the Municipal Development Programme in Harare (working in liaison with the Urban Management Programme). The general objective of the consultation is to enhance dialogue between different stakeholders—the city authorities, political leaders, the private sector, community groups, charitable organisations, NGOs and related government agencies—to identify specific projects and programmes for urban poverty reduction.

More detailed objectives include:

- Conducting a local poverty assessment in an effort to produce a local poverty profile;
- Using this profile as a basis for city-wide dialogue on how best to address poverty;
- Conducting an institutional audit of the main actors with an eye on their contribution to the overall anti-poverty strategies;
- Examining provision and accessibility of services to the urban poor, the potential for more job creation within the city, issues concerning the human rights concerns of the urban poor, and promotion of local civic participation generally; and
- Holding a city consultation workshop in an effort to develop specific action plans for poverty reduction.

Key ingredients of success

All of the stakeholders in the Harare process agree that regaining the trust of the people towards the city council has been seen as one of the key prerequisites for success. Without trust in the council, and in its capacity to actually improve service delivery through better governance, there would be limited effort by stakeholders to participate. In the case of Harare, the city consultation process is still ongoing, which makes it impossible to assess its likely success.

²⁷ Source material: J. Juslen's interviews in Harare (12/1998); Hall, N. & Mubvami, T. (1998). City Consultation Report on Urban Poverty and Governance: Harare City Council. Draft.

Obstacles to a more participatory approach to governance

Thus far, the process has been a victim of the political volatility in Harare. Lack of continuity in the local government has been a major obstacle. In the case of Harare, staffing changes of key municipal positions has caused the commitment of the municipality to decline during the city consultation process. Due to this, the level of ownership of the city consultation process by the city council has been inadequate. The main forum of the city consultation has suffered ongoing delays due to multiple changes in the local government structure. It has been on hold until further elections of a new city council are held. To ensure the continuation of the city consultation, a time frame for further action is currently being agreed upon between the Municipal Development Programme and the city government.

Lessons for future action

Similar to the experience in Mesa de los Hornos (in Mexico City), city consultation processes can easily fall prey to the political dynamics in a given locality. It is crucial that the design, the management and the implementation of city consultation processes actively address the pressures and dynamics of the local political context and culture. Pre-emptive mechanisms and binding protocols must be debated and agreed to before the process gets too far down the track.

CASE 8: AN ENABLING NATIONAL FRAMEWORK

Focus: South African Policy Framework Promoting Participatory Local Governance²⁸

This case summarises the current policy renewal processes in South Africa, which seek to combine a decentralised, partially autonomous sphere of local government with a strong participatory and developmental orientation. The UMP anchor institution—the Graduate School for Public and Development Management, Wits University—in South Africa was one of major intellectual resources informing the design of the system.

Background

The political transformation in South Africa, which commenced in 1990, resulted in a process of systematically redesigning every aspect of government. This process was informed and curtailed by the power sharing arrangement agreed to in the negotiations, which made the first democratic national election possible in 1994. A feature of these negotiations was the little attention devoted to the post-apartheid local government system. As a result, an interim arrangement was put in place, which determines the nature of local government until the second local government elections in November 2000. The five years between 1994-1999 have largely been devoted to policy development to completely re-conceptualise and re-design the local government system. This was done in a substantially participatory manner. The first policy statement was the White Paper on Local Government. Subsequently there has been the Demarcation Act (1998), The Municipal Structures Act (1998) and, most recently, the Municipal Systems Bill (1999). The last two pieces of legislation enshrine the practical mechanisms to foster participatory and developmental governance.

New policy framework

In March 1998, the government released its White Paper on Local Government. This document spelled out the formal policy direction and vision for a future local government system. At the heart of the new policy framework

²⁸ Source materials include: SA Government, 1996. *The Constitution of the Republic of South Africa, 1996*. Cape Town: Government Printers; SA Government, 1999. *Local Government: Municipal Systems Bill*. Cape Town: Government Printers; SA Government, 1998. *Local Government: Municipal Structures Act (1998)*, Cape Town: Government Printers; DCD, 1999. 'Accountability and Participation.' Local Government Information Series No. 3.

is the notion of *developmental local government*. It is defined as local government, which ‘works **with** local communities to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.’ The core processes to achieve developmental local government are, according to the Municipal Systems Bill (1999), ‘participatory governance, integrated development planning, performance management and reporting, resource allocation and organisational change.’ The outcomes of developmental local government put forward in the White Paper are:

- *The provision of basic household infrastructure and services.* In line with the Constitution, municipalities **must** prioritise the delivery of basic services to everyone in their area.
- *The creation of liveable, integrated cities, towns and rural areas.* Apartheid planning has resulted in divided cities, towns and rural areas. Spatial integration is encouraged to reduce the costs of transport and service provision, and enable social integration.
- *Promoting local economic development.* Municipalities are urged to proactively enhance the economic potential of their areas.
- *Community empowerment and redistribution* (from wealthy areas to impoverished and un-served areas).

This formulation is consistent with the Constitutional obligations on local government which define the objects of local government as follows:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matter of local government.

Participatory governance instruments include the following:

- Four accountability fostering mechanisms: the Integrated Development Plan (IDP), the performance management system, a code of conduct for councillors and a code of conduct for municipal officials;
- An obligation to be responsive to citizen and client needs and complaints, or face legal action;
- The option of different types of municipal committees that allow for direct participation of citizen groups in municipal planning, implementation and review; and
- The obligation to progressively realise the (human) rights-based framework as enshrined in the Bill of Rights.

Each of these will now be briefly explored. The primary instrument at the disposal of municipalities to achieve this comprehensive role is the Integrated Development Plan (IDP). In terms of the legal framework, every municipal council must adopt a single, inclusive plan for the development of its municipal area. The IDP should unify the various plans, schemes and proposals for the development of the municipality into a single, cohesive blueprint for the future, while taking into account the resources and capacity of the municipality.

IDPs are comprised of the following key components:

- A clear and concrete long-term vision for the area;
- A thorough assessment of existing levels of development, with particular emphasis on the causes of disparities and inequality;
- Explicit development priorities, based on a strategic decision-making process which involves making choices between competing priorities;
- Development objectives to inform the design of programmes for the municipality;
- Development and operational strategies to achieve the development objectives; and
- A spatial framework to ensure that the embedded lines of division of apartheid planning are reversed over time.

The White Paper makes it clear that the entire IDP process must rest on a meaningful and multi-level participation process to ensure that citizens have a direct say about its outcome. Moreover, it also becomes an important tool to enable citizens and interest groups to monitor and assess the performance of the municipality, based on real targets. In fact, citizens can take municipalities to court if they feel that the municipality has not fulfilled its obligation to ensure adequate participation in the design of its IDP. The legislation further stipulates that IDPs must have a five-year framework but be subjected to annual review. During the current interim phase, most municipalities have begun to experiment with IDPs and a steady body of experience and understanding is being accumulated.

A second instrument to increase productivity and greater accountability provided for in the legislation is the performance management system (PMS). The intention is that the PMS system must at one level pertain to the quality of the performance of municipal staff, but at another level address the performance of municipality in terms of meeting its objectives as outlined in the IDP. The second dimension is designed to force explicit processes of monitoring and reporting to the citizenry.

The Municipal Structures Act (1998) further proposes a legislative code of conduct for councillors to compel council members to act consistently with legal frameworks and democratic principles. This further reinforces democratic accountability. This is balanced and complemented by a code of conduct for officials, which is provided for in the Municipal Systems Bill (1999).

Municipalities are further obligated to develop and implement appropriate and efficient mechanisms and procedures for receiving and addressing complaints, taking into account those who cannot read and write as well as those with disabilities and language preferences.

The Municipal Structures Act (1998) makes provision for various categories of committees to promote and entrench community participation in municipal governance. The Act requires municipal councils to develop mechanisms to consult the community and community organisations in performing their functions and exercising their powers. Municipal councils have the option to institute either ward committees or other (advisory) committees, which must have delegated powers to make them effectual. The Act highlights the importance of ensuring that women and other disadvantaged groups are equitably represented on ward committees.

The Municipal Structures Act (1998) makes provision for the role of traditional leaders. The Provincial Minister has ultimate authority to decide on their inclusion on councils, yet they cannot have voting powers, unless they have been elected through the ballot box. Thus far, a formal policy has not been drafted on the exact role of traditional leaders in the functioning of local government, but indications are that the traditional leaders are reluctant to be usurped by elected rural local government after the next election. Currently, traditional leaders have sole authority in rural areas outside of municipal boundaries. This is one of the more complex issues in defining popular participation, precisely because traditional leaders are extremely influential.

The new local government framework is fundamentally about bringing together hardcore performance management instruments and the dynamism of community input and involvement to ensure that democratically elected councils find it extremely difficult not to serve the interest of the local community, especially those sectors that are poor, marginalised and awaiting restitution. The Municipal Systems Bill captures the intent persuasively: 'In seeking to maximise resident's knowledge of municipal plans and targets, and giving both council and residents tools with which to evaluate and compare municipal performance, the [Municipal Systems] Bill creates a bottom-up process of driving development, improving performance and facilitating change. Municipalities are obliged to put "people first" in the way they run their administrations, and to constantly seek the best way of delivering services to all residents.'

4.5 ASIA REGION

Urbanisation patterns

As a continent, Asia has been urbanising over the past few decades at moderate rates. In 1950, 235 million people lived in cities, accounting for only 16.8% of the total population in the region. By 1995, the urban population had soared to just under 1 billion, a level of urbanisation at just under the 30% mark. At century-end, the urban population was projected to reach 1,128 million, translating into an urbanisation level of 33.9%. By 2020 this level is expected to be 46.4%, reaching almost the 2 billion people mark!²⁹ Significant is the total number of people who live in urban areas, even though the proportion is moderate compared to Latin America and high-income countries.

The important issue about urbanisation in Asia is to appreciate its scale in relation to the rest of the world, and especially the other Developing Countries. Asia constitutes 60% of the urban population in the Developing World, and approximately 45% of the total world-wide urban population by the year 2020. Urbanisation processes can only be appreciated against the backdrop of dramatic sustained economic growth in the region over the course of the last three decades.

Apart from being the most populous continent with the largest urban population, Asia has also distinguished itself by having the largest number of mega-cities. Of the world's 25 largest cities in 1995, 14 were concentrated in Asia. These were cities with a population of over 8 million each, and Tokyo was the largest urban agglomeration with a population of 28.7 million. Both the huge urban population and the high number of mega-cities in Asia have grave implications for the continent's governments and cities in having to keep soul and body together for their teeming millions and to aspire to sustainable development for the present and future generations.

Since 1950, the world has grown richer. During the period 1950-1992, world income increased from \$4 trillion to \$23 trillion, and in per capita terms it more than tripled. Private investment flows to developing countries increased from \$5 billion to nearly \$160 billion during the period 1970-1993. However, three-quarters of these flows went to ten countries, mostly in East Asia and Latin America. Within Asia, the economic miracles of Japan and the newly industrialising economies (NIEs) of Hong Kong, South Korea, Taiwan and Singapore are well known, but rapid economic growth has been more or less across the board, despite palpable differences. For example, in 1960, the real gross domestic product (GDP) of Singapore, Thailand and India was, respectively, \$2,409, \$985 and \$617; in 1997, the corresponding figures were \$23,565, \$7,535 and \$1,385.³⁰ It is clear from the quoted sample statistics that there is a progression of rapid growth in the countries in Asia, as represented by the different groups of countries to which they belong. The distinctive rapid growth in most parts of Asia over the last few decades has accelerated the development and growth of its cities. However, the recent Asian crisis has taken many parts of the region back at least a decade in terms of poverty and vulnerability levels.

In fact, urban centres have always led in the creation of national wealth, and their roles have been heightened in the present era of globalisation. Asian cities, as elsewhere in the world, have been described as workhorses of the world. Some have grown explosively during the past two decades, with GDP having increased by over 1,000 per cent. Among the Asian cities, the most impressive gains were made by Tokyo and Seoul which, in the period of 1970-1990, saw their GDP grow by 2,894 per cent and 2,127 per cent, respectively.³¹

²⁹ UNCHS (Habitat). 1999. 'Basic facts on Urbanisation', Nairobi.

³⁰ *Asiaweek*, 25 July 1997. Also see: United Nations Development Programme. 1995. *World Urbanization Prospects 1995*. New York. UN Department of International Economic and Social Affairs.

³¹ Savitch, H. V. 1996. "Cities in a Global Era: A New Paradigm for the next Millenium", in Michael A. Cohen. et.al (Eds). *Preparing for the Urban Future: Global Pressures and Local Forces*. Washington D.C. The Woodrow Wilson Centre Press.

In launching Asia's economic transition, its cities have been engines of growth. In this respect, the dominance of certain cities has been especially remarkable. Primate cities—urban centres whose populations are many times the next largest cities in their countries—are found in many Asian countries. Seoul, Dhaka and Manila are primate cities, but the classic example of a primate city is Bangkok whose population is almost 50 times that of the next Thai city, Chiangmai. Often, these cities not only dominate the country demographically, they are unrivalled in economic terms as well. For instance, Bangkok and Seoul account similarly for over one-quarter of their national GDP. The overarching influence of these cities on national development is beyond doubt.

Since the early 1980s, structural economic adjustment on a global scale along the acceleration of globalisation processes, has given rise to a new class of cities - world cities - in Asia and other regions of the world. These cities have a special and important role to play in the new global economy and are the loci of decision making for wealth creation, information exchange, capital flows, population migration and technological innovations. World cities in Asia have dual functions: they articulate with the world economy and, at the same time, propel regional and national economies.³²

Decentralisation routes

Given the sheer scale and diversity of the region it is almost impossible to speak in generalised terms about decentralisation. For one, the prevalence of one party political systems in the former Communist States present a unique set of circumstances, and so does the democratic legacies in the Philippines, India, Sri Lanka and Nepal. The only generalisation that is possible is that decentralisation is a marked trend and just about all nation states have introduced some or the other reform measure during the last two decades to facilitate the de-concentration of functions to lower tiers of government.³³ However, it is impossible to analyse or understand decentralisation reforms outside of national contexts. Decentralisation processes are being reinforced by the impact of economic globalisation and the rise in civil society confidence and activism.

Indonesia represents a curious mixture of local autonomy and strong national influence on the shape and direction of local development plans. In general terms local government officials are directly accountable to the central state but local councils tend to have significant control to formulate their own budgets. However, the central state provides very strong frameworks through its national development plans and municipalities tend to echo these in their own plans.³⁴ This is akin to the Philippines where there is a longer and stronger tradition of decentralised planning and service provision. In many ways the Philippines is the most experienced in drawing on the NGO sector to play an active role in local development. The 1991 Local Government Code provided a template for the direct involvement of civil society organisations in municipal planning and politics.³⁵ However, this has not succeeded in dislodging bureaucratic rigidities in local government, resulting in a situation where the organisational orientation and capability is out of sync with developmental policy intentions.³⁶

³² Lo, Fu-chen and Yue-man Yeung (Eds) 1996. *Emerging World Cities in Pacific Asia*, Tokyo. United Nations University Press.

³³ Significant legislative reform in the region that underpin decentralisation initiatives include the following:

- Bangladesh: The Pourashava (Municipalities) Ordinance, 1977
- China: The 1985 Reform setting the Principles of Revenue Allocation and Tax Sharing
- India: The Constitution (seventy-fourth) Amendment Act, 1992 on Municipalities
- Indonesia: Local Government Act No. 5 (1974)
- Republic of Korea: The Local Autonomy Act, 1988
- Malaysia: Paragraphs 4 and 5 of the Ninth Schedule of the Federal Constitution and the Local Government Act, 1974
- Nepal: The Local Self Governance Act, 1998
- Pakistan: Local Governance Ordinance of 1979 and 1980
- Philippines: The Local Government Code, 1991
- Sri Lanka: The 13th Amendment to the Constitution

³⁴ Porio, E. 1996. 'Urban Governance in Southeast Asia: Implications for Human Settlements', in McCarney, P. (ed.). *Cities and Governance: New Directions in Latin America, Asia and Africa*. Toronto: Centre for Urban and Community Studies.

³⁵ Brillantes, A. 1999. 'Decentralisation, Devolution and development in the Philippines.' *UMP-Asia Occasional Paper*, No. 44.

³⁶ Porio, E. 1996. 'Urban Governance in Southeast Asia: Implications for Human Settlements', in McCarney, P. (ed.). *Cities and Governance: New Directions in Latin America, Asia and Africa*. Toronto: Centre for Urban and Community Studies.

China in turn reflects a unique series of reforms over the course of the last decade. It used to reflect the most acute version of central control at the local level since local government was nothing more than a branch of a centrally controlled administration. However, this situation has changed dramatically as local governments have attained an independent status in development management and even mayors are considered significant agents of autonomous decision-making and action. The biggest obstacle confronting Chinese local government is the significant lack of a financial basis to sustain new levels of authority. After the decentralisation reforms were introduced, the central government terminated the financing of urban infrastructure.³⁷

A final set of experiences come from the South Asia, particularly India, Sri Lanka and Nepal. In these countries municipal government has an established history of involvement in the management and governance of cities. As in most other countries there are of course distinctive diversity within each country as well. In all of these countries municipal government is fully democratic, with elected councils, board and corporations. Secondly, municipalities have substantial responsibility for the provision of public goods around health, safety, public works and public order. However, often there is sharing of responsibility with other tiers of governments. Thirdly, in all three countries municipalities have access to their own fiscal instruments, especially various categories of taxation. Lastly, and most distinctively, in these countries parastatals and development corporations play a major role in urban service provision and effective urban governance cannot happen in isolation of these structures. These entities were first introduced in the 1960-70s and in India in particular they often reside at the State level.³⁸ In some ways it could be argued that these bodies prefigure the Chinese experiment to 'corporatise' a number of municipal functions, or what is considered as 'outsourcing' to dedicated private sector entities, in other countries.

This is obviously not an exhaustive discussion of decentralisation routes in the region but it does provide a cryptic sense of the diversity of experiences and outcomes of the over-riding trend towards greater decentralisation. Similar to other regions it reinforces the strong tension between devolving greater responsibility and reforming the fiscal and political frameworks that should underpin effective decentralisation.

CASE 9: COLOMBO, SRI LANKA

Focus: Improvement of urban governance through community participation and decentralisation of municipal services³⁹

Background

Colombo City is striving to deal with a major urban challenge: the provision of services to under-serviced settlements generally known as low income settlements. It is estimated that 52 % of the total city population live in these settlements. These communities endure the absence of proper water connections in their households, inadequate sewerage networks, poorly functioning drainage systems, and an inadequate solid waste disposal system. Inevitably, this results in a myriad of poverty related environmental health problems, low productivity and social divisions.

³⁷ Yukun, W. 1996. 'Urban Governance in China: The Zhuhai Experience', in McCarney, P. (ed.). *Cities and Governance: New Directions in Latin America, Asia and Africa*. Toronto: Centre for Urban and Community Studies.

³⁸ This section draws on: Mathus, O.P. 1996. 'Governing Cities in India, Nepal and Sri Lanka: The Challenge of Poverty and Globalisation', in McCarney, P. (ed.). *Cities and Governance: New Directions in Latin America, Asia and Africa*. Toronto: Centre for Urban and Community Studies.

³⁹ This summary is based on the following sources: City Profile - Colombo, Sri Lanka (1999). Colombo City Consultation. Colombo City Council, Sevanatha -Urban Resource Centre, Urban Management Programme; Report on Action Plans (1999). Colombo City Consultation. 22 May 1999. Colombo City Council, Sevanatha -Urban Resource Centre, Urban Management Programme; Juslen, J. (1999). Discussions with Colombo municipality officials and residential leaders. May 1999.

In November 1998, the Colombo City Council, an indigenous NGO, Sevanatha Urban Resource Centre and the Urban Management Programme signed an agreement to start the Colombo City Consultation. The focus of the CC was to facilitate collaborative action between the City Council and the communities in local income settlements, with the facilitation and mobilisation skills of Sevanatha Urban Resource centre. The objective was to strengthen capacity for revenue mobilisation, improve community participation and decentralise municipal services. The first step was an 'awareness meeting' for heads of departments within the municipal administration and a workshop for Community Development Councils (CDCs) to prepare them for this initiative.

The CDC-system was established in 1979 by the Colombo Municipal Council in collaboration with UNICEF. Initially, the CDC-system was made up of approximately 600 councils, each representing a specific community. This system was supposed to offer the communities the opportunity to plan community work, improve the social and physical environment, and to maintain relationships with the Colombo Municipal Council, NGOs and other civil society groups. However, during the 20 years that the CDCs have been operating, several problems have emerged. In 1998, only one out of five CDCs was still functioning. Significant problems that reduced the effectiveness of the CDCs included the following factors:

- the fact that the Colombo Municipal Council did not formally recognise the existence of CDCs;
- the lack of clear directives on the responsibilities, duties and obligations of CDC leaders;
- the CDCs tended to function in a piecemeal way by simply implementing specific projects as opposed to continuous involvement in development processes;
- the absence of systematic training for CDC leaders; and
- the lack of information among CDC leaders on new development programmes and projects initiated by City Council or other agencies.

The City Consultation Process

Given the cultural familiarity with the CDC model, the city consultation process was designed to strengthen and rejuvenate the CDC-system and use it as a means of increasing community participation and decentralising the service delivery system.

The key ingredient to success in the Colombo CC was the establishment of a multi-stakeholder forum that included active participation by municipal officers and leaders drawn from the CDCs. In part, the CC focussed on practical ideas to make the CDC work effectively and overcome the problems discussed earlier. The CC resulted in the drafting of an action plan, which contained recommendations to ensure institutional support for the CDC. The CDC would be the primary vehicle to ensure meaningful community participation. Practically, it meant i) that the City Council had to make policy reforms to recognise CDCs as relevant institutions for people's participation in municipal service delivery; ii) strengthening the institutional and financial aspects of CDCs; and iii) revitalising the CDC-structure on the ground. In addition to these recommendations, it was agreed that new methods of participation should be introduced for the communities to be able to participate effectively in the development process.

A key condition for success in the city consultation process was quick and visible improvements in some areas of municipal service delivery. In other words, demonstration-effect is crucial to foster legitimacy, patience and active commitment. In the case of Colombo, it was crucial to the revitalisation of the CDC-system and the acceptance of the CC process as an effective framework for joint decision-making.

Obstacles to a more participatory approach to governance

In the Colombo experience, several obstacles to the establishment of a participatory approach to urban governance became clear. In particular, the lack of formal policies for partnership building made it difficult to ensure continuous consultation between stakeholders and the Colombo City Council. A year into the CC process, it has become clearer that not all stakeholders are aware of their roles and responsibilities in a community-based approach to service extension to low-income settlements. The CDCs in particular require capacities and skills

to absorb and use the devolution of functional responsibilities to them in the broader process of decentralising service delivery.

Generic Lessons

The Colombo case suggests that participatory urban governance depends on several prerequisites. They include the following:

- the centrality of *political will* to increase participation and decentralisation and see it through its initial difficulties;
- a dedicated institutional structure to carry out the practical work of community involvement and awareness raising and facilitate interaction with the municipal administration; and
- the necessity of practical working methods, protocols, guidelines, etc. to operate through partnerships.

CASE 10: PHUKET CITY, PHUKET ISLAND, THAILAND

Focus: Strengthening capacity in urban environmental planning and management⁴⁰

Background information

Phuket Island is one of the most favoured tourist destinations in Thailand because of its exotic features. However, as with most semi-tropical islands, the territory is characterised by an extremely sensitive and finely balanced ecological system. The dramatic increase in tourism since the late 1970s was largely allowed to boom unchecked with great impact on the eco-system of the island. During the 1990s, it became obvious that if this process was not arrested, the very basis of the island's tourism economy would be undermined. It was against this backdrop that a CC process was embarked upon to facilitate widespread awareness and consensus about how best to balance the economic and environmental challenges of the island.

The Municipality of Phuket established an Urban Environmental Policy Drafting Subcommittee to draft the policy and management guidelines for environmental planning and management in Phuket. The subcommittee is comprised of 79 members who are representatives of local government, the business sector, local communities, NGOs and academic institutions. The subcommittee is divided into 5 working groups: waste, land use, pollution, community environment and environmental health, and water management.

The CC process entails a combination of different interventions at different levels. At community level, residents are encouraged to recycle and use resources more prudently. A fund is established to promote recycling and it is also used to support capacity building initiatives within low-income neighbourhoods. Youths in turn are organised into waste management teams, which allow them to supplement income but also learn about the importance and practice of proper waste management. Different planning and co-ordination initiatives are further established to improve the linkage between local, provincial and national infrastructure development initiatives. Practically this means that policy frameworks are developed and driven at a provincial level to ensure consistency between localities, but the design of action plans is a local and participatory process.

Key ingredients of success

The most distinctive feature of the Phuket process is its broad-based inclusiveness and the degree of cohesion between the various stakeholders. A concrete role and contribution is defined for everyone. Academics and research institutes through to grassroots organisations make tangible contributions. For example, academics get intimately involved with highly technical environmental and social impact assessment studies, and NGOs work closely with community-based organisations to inform them about eco-tourism principles and how these principles relate to a broader environmental awareness in everyday life contexts in terms of energy use, water

⁴⁰ UMP Asia News (1999). Urban Management Programme. Vol. II, No. 2; Juslen, J. (1999). Discussions with Phuket officials and residential leaders. August 1999.

use and recycling processes. The role of the municipality has been to act as leader and facilitator in these processes. The CC process has been used to great effect to construct a shared understanding and vocabulary between the different stakeholders. One of the advantages is that the Thai context is characterised by rather low levels of social conflict and by a broader Buddhist cultural attribute to be very tolerant and respectful of different perspectives.

The CC process has provided a useful methodology for the municipality to implement a participatory approach to environmental management and it also enabled the municipality to explore innovative approaches to urban governance in the context of national decentralisation initiatives during the last five years. In many respects development is now understood and approached as a consultative process. This shift in attitude has brought about a fruitful atmosphere for the development of participatory governance.

Obstacles to participatory governance for environmental management

Animators working with the different stakeholders found it difficult to demonstrate the impact of a more ecological approach to the island's development. A lot of effort was required from communities and private sector stakeholders to shift attitudes and practices without necessarily seeing any immediate benefit. By definition, the environmental benefit is of a medium to long-term nature. Secondly, it was difficult to sustain awareness and commitment during the time that the Asian economic crisis set in. Business people in particular are very reluctant to see through sustainability commitments when they are battling to keep their business afloat. Lastly, the process has in many ways been shaped around the political reality of the country and the island, which is marked by elite politics, which in the context of Phuket is reflected in the power base of highly influential families and political cliques.

Lessons for future action

The Phuket case study is instructive, because it demonstrates the value of participatory processes to galvanise the active contribution of all urban stakeholders, ranging from the business community across to youths. This presupposes a high level of definition of distinctive roles and responsibilities, suggesting that other cities and towns can learn from this approach. Lastly, it is indicative of the need for synergy between the initiatives and plans of the city council and higher tiers of government. Ideally, higher tiers of government would formulate policy and regulation to reinforce participatory processes at local level.

4.6 LESSONS

In all four regions, rhetoric around decentralisation, participatory governance and municipal innovation tends to outstrip reality. The reality is by and large trapped in traditional power relations, which militate against institutional change. This is often underpinned by the structural problem that devolved functions and powers do not coincide with the financial resource-base and autonomy of local authorities.

This reality alerts us to use policy notions cautiously, while remaining strategic. Rapid urban change and greatly expanded demand confront city governments everywhere. These local governments have no choice but to find more efficient, effective and sustainable approaches to urban management and service delivery. A large part of finding such answers can only happen at the interface between municipal government and other stakeholders, especially regional and national government, but also private sector and civil society actors at the local level. In other words, participatory governance provides an entry point to facilitate a local-specific dialogue and eventually changes in practice. For example, these different stakeholder will operate less in isolation from one another but alternatively start to link and integrate their disparate initiatives to ensure mutual benefit. However, it will have to negotiate deeply engrained power relations manifested in various 'deals' between national and local elite and/or between local elite and private sector interests and/or between political elite and their various 'clients' who feed election and party coffers with money and votes.

Participatory governance is most likely to be advanced and deepened if it is driven by an explicit content focus, e.g. poverty reduction, service delivery improvement or environmental management. This approach has been

adopted in all four regions where the UMP is active. Linked to this is a recognition that a key lever for change at local and national levels is the need to improve financial management in cities. This pertains to revenue collection, revenue division between national, regional and local, and efficient management/accounting of resources.

Change is unlikely to occur unless there are strong incentives, along with the external pressures for reform. Participatory governance reforms need to build a system of incentives through:

- the structuring and operation of a financial framework;
- national recognition of distinction which contributes to the political and symbolic capital of city;
- improved access to opportunities to leverage additional funds, e.g. from donors or investors.

However, a meaningful system of incentives can only function effectively if it emanates from a national policy framework on decentralisation and participatory governance.

Participatory governance tools must resonate in the cultural contexts where they are deployed. For example, the rigorous culture of technical and managerial proficiency in India makes it possible to use instruments such as citizen scorecards which rate the effectiveness of various municipal departments.

Participatory governance is fundamentally dependent on at least two preconditions. One, a minimum level of performance/proficiency to carry out municipal tasks. Secondly, financial sound accounting and management practices to enable citizens and other stakeholders to entrust the local authority. Innovations can only build on these features.

In conclusion, the worldwide trends suggest that the *critical levers* to achieve substantive impact include reform in the following areas:

- constitutional and legislative reform;
- formulating a consensus-based national policy on the purpose and nature of decentralisation;
- defining an equitable and consistent financial framework to underpin the decentralisation policy;
- formulating an explicit national and local policy agenda to establish an enabling environment for civil society and private sector involvement in national and local development processes; and
- an informed and empowered citizenry that access and use their entitlements to continuously deepen democracy.

Given the reality of vested interests, these frameworks will mean little in practice unless they are tested and deepened through a constant and dynamic interplay between local level actions and macro level policy adaptation. At the local level the challenge is to find the appropriate mix of innovation, engagement and deliberate action to improve living conditions. Processes such as the city consultation methodology of the UMP and SCP provide productive entry points to catalyse local action, but ultimately it depends on the level of ownership and commitment amongst a widespread base of local actors.

We are only able to provide a cryptic snapshot of ten qualitatively different situations in four major regions of the world. Invariably we cannot explore the full nuances and historical processes that underpin each case study. The presentation of the cases also focussed more on the positive experiences that are instructive while balancing them with some discussion of the obstacles and limitations. Each case tends to highlight different types of lessons that will hopefully spark new ideas and insights about the potential of City Consultations to deepen participatory governance.

Given the different expectations and roles of all the stakeholders in cities, it is critical to use various methodologies to stimulate the conversation and keep it going. It is even more important to equip stakeholders with skills to translate their engagement into practical interventions that can lead to solutions for the many urban problems. In the next chapter we explore a series of different tools at the disposal of municipalities and civil society organisations to promote and entrench participatory governance.

Chapter 5: Pillars of Urban Governance & Participatory Tools

5.1 INTRODUCTION

This chapter is targeted at municipal practitioners and community leaders who want to ensure that participatory governance does not simply become another fashionable buzzword, but lies at the basis for transforming municipal institutions and actions. We explore the key pillars of participatory governance and how these can be promoted and strengthened. Thereafter, we focus how to give concrete effect to a participatory approach to urban management. The final section explores some practical steps to mainstream or institutionalise participatory governance in all spheres of urban governance.

5.2 PILLARS OF PARTICIPATORY GOVERNANCE

We have stated that urban governance is about effective collaborative planning, decision-making processes (and mechanisms) and implementation processes to co-ordinate distinctive efforts of the local government, civil society organisations and the private sector towards the progressive attainment of sustainable urban development and local democracy. This approach leads us to identify seven pillars of participatory governance: democracy, accountability, transparency, responsiveness, social equity, effectiveness and efficiency in municipal affairs, and security. Participatory governance is optimised if all its seven pillars are strong and sustained⁴¹.

This chapter separates various types of action for the sake of presentation, but in reality a given intervention could simultaneously promote local democracy, deepen accountability and promote responsiveness. This categorisation should simply be treated as a rough guide to structure and focus thinking and deliberation, which can lead to action.

Table 5.1	
Pillars of Participatory Governance	Actions municipalities can take to strengthen participatory governance: ⁴²
Vibrant local democracy	<ul style="list-style-type: none"> ✓ Promote and implement electoral reform to ensure adequate representation of all interest groups and pluralistic political processes, either through strong political parties or other mechanisms of representation. (This is contingent on national reform measures.) ✓ Establish appropriate forums to structure civic engagement in political decision-making at the city level, such as ward committees. ✓ Utilise various mechanisms to periodically test citizen opinion on key matters of public concern, and especially large scale new public investments, e.g. investing in an Olympic Bid project or building an international Convention Centre, etc. Possible methods include referenda, public meetings, public hearings where interest groups can present and argue evidence on the issue, opinion polling amongst different categories of citizens and interest groups, regular and systematic walk-about exercises to gauge popular sentiment, etc. These methods are not exhaustive and usually work well if used in appropriate combinations. ✓ Promote an enabling legislative and regulatory framework for civil society activism, e.g. budgeting councils. ✓ Formalise policies—for example on participation—that will promote democratic processes and attitudes amongst council staff, e.g. workplace forums, quality circles, gender forums, etc.

⁴¹ This typology is slightly different to the norms proposed in the *Global Campaign for Good Urban Governance* of UNCHS but consistent with it.

⁴² Drawn from various sources, including: UNCHS, 1999. 'Global Campaign for Good Urban Governance.' Draft 3, unpublished paper.; McCarney, P. 1996. (ed.) *Cities and Governance*. Toronto: Friedmann, J. 1992. *Empowerment*. Cambridge: Blackwell.

Accountability	<ul style="list-style-type: none"> ✓ Introduce a participatory budgeting process to enable citizens and stakeholders to have a more direct say in resource allocation and investment decisions, but also to monitor the link between plans and actual expenditure. ✓ Report on a regular basis to stakeholders, citizens, neighbourhoods, etc. on the progress and outcome of specific municipal programs and projects. ✓ Introduce annual development reports that are developed in conjunction with civil society organisations, focused on local human development index levels and other composite indicators that capture the strategic development objectives of the council. ✓ Compel departments, program teams and project managers to report during and at the end of programs and projects to the stakeholders and targeted beneficiaries of a given intervention.
Transparency:	<ul style="list-style-type: none"> ✓ Introduce an open-door policy to the public in terms of council meetings, including working committees and ad hoc committees. ✓ Make all minutes and commissioned reports available to the public as soon as is possible. ✓ Ensure that the participatory budgeting process promotes full transparency on all aspects of financial planning, budgeting and actual expenditure against budgets, and, where possible, demonstrates differential impact of expenditure on different groups, for example, the disabled, women, children, and so on. ✓ Ensure that tendering processes and the awarding of contracts happen through an open system. ✓ Use media, such as a municipal newsletter, local newspapers or local radio stations to ensure that semi-literate or illiterate people are equally informed of relevant decisions and processes. ✓ Publish a register of assets and gifts that elected officials have received during their term of office to avoid corruption. ✓ Formulate an explicit anti-corruption policy underwritten by all stakeholders in the city.
Responsiveness	<ul style="list-style-type: none"> ✓ Introduce measures that penalise staff and teams if they make a customer wait longer for a service than is required. ✓ Provide clear and accessible information to customers about where and to whom they can complain if they are unhappy about the quality of service they experience. ✓ Institutionalise a system of incentives and penalties that apply when customers and citizens complain about a given service or treatment they receive from council staff. ✓ Introduce unmarked 'quality of service' inspectors at random to keep staff alert. ✓ Link lack of performance in this respect to job grading, promotion prospects, performance bonuses, etc.
Social Equity:	<ul style="list-style-type: none"> ✓ Ensure consistent and equal application of city rules and laws. ✓ Through a consultative process, develop a gender policy for the municipality that will apply to internal practices and external relations with citizens and civil society. ✓ Develop a broader affirmative action policy and programme to address the specific needs and interests of various marginalised groups, e.g. ethnic or religious minorities. ✓ Establish a single point of call for citizens and groups who feel that their rights have been infringed by either politicians or municipal staff, e.g. a municipal service ombudsman.
Effectiveness & Efficiency:	<ul style="list-style-type: none"> ✓ Adopt and use inclusive participatory methods for information collection and analysis, planning, stakeholder involvement, implementation and monitoring, to ensure that municipal resources are appropriately targeted and sustainable. ✓ Invest in consensus-building between competing interests and stakeholders on all major urban development issues, e.g. economic strategy or environmental measures, to ensure that strategies have adequate buy-in and are sustainable over time. ✓ Ensure that municipal priorities coincide with those of intended beneficiaries through appropriate consultative mechanisms. ✓ Introduce a performance system that uses performance indicators that can demonstrate whether citizens are getting effective services and value for money.
Security:	<ul style="list-style-type: none"> ✓ Ensure that vulnerable groups, discriminated minorities (and at times majorities), and people with limited social influence are adequately protected, especially in the case of natural disasters, environmental hazards, or criminal violence. This can be assured through special initiatives such as safety audits, disaster prevention plans, special initiatives to curb gender-based violence, etc.

Effective action will result in higher levels of trust and reciprocity between urban actors, rooted in an implicit political contract, which embodies equality, tolerance and inclusiveness. Consistent action will further deepen accountability in all four governance relations (two horizontal and two vertical relations), reflected predominantly in citizen influence and oversight over decision-making processes. Lastly, committed action will, over time, foster mature and mutually beneficial relations between the municipality and various stakeholders. This will manifest itself in a mature understanding and discourse on the respective roles and responsibilities of all in the process of participatory governance.

5.3 TOOLS TO IMPLEMENT PARTICIPATORY GOVERNANCE

Our starting point is that municipalities act at different levels. All of these domains can be democratised or opened up, even in the absence of a formalised democratic political system. In most cities and towns we can assume that municipal action can be developed in five general domains: i) public sphere; ii) city-wide planning/co-ordination; iii) neighbourhood level planning and empowerment; iv) programmatic/sectoral areas; and v) project level.

In each of these domains of activity, a municipality can function with a participatory ethos. Before a council spends money, a decision must have been made about the activity. Decision-making and implementation at all levels—from complex strategic priorities to which company will provide the paperclips—inevitably follow a logical sequence. It starts with problem identification, leads to decisions to address the problems, taking action to implement the decisions and eventually reviewing success or failure of the intervention, with a view of always improving on approach and behaviour. It is beyond the scope of this chapter to list and explore every conceivable participatory technique that applies at all levels.

In the following sections we summarise participatory methods and tools in each of the five domains of municipal action and explore a selective sample of methods that urban governments are most likely to find useful. Thereafter, we explore how a participatory ethos can be institutionalised and sustained.

5.3.1 Public Sphere

Participation in the public sphere refers primarily to initiatives, institutions and processes to democratise local government politics and the engagement between civil society and the local state. It involves pro-active initiatives of the municipality to promote accountability, transparency and participation of the citizenry in political decision-making processes that impact on their lives. Democratic participation is most likely to flourish if there is a broader political culture of accountability and transparency. The broader benefits of a participatory approach are summarised in Box 5.1.⁴³

Box 5.1: Benefits of Participation

Effective participation can:

- Help build consensus for development initiatives, especially in the context of great demands, restricted resources and limited capacity;
- Increase the efficiency of development investments, by drawing on local resources and skills and managing external inputs;
- Increase effectiveness of development investments as it builds on local knowledge and understandings of problems, leading to better tailored interventions;
- Expand local capacities of people as they learn to manage and negotiate development activities;
- Potentially increase coverage as local people assume responsibility for ongoing sustainability and maximise the potential uses of the intervention;
- Improve targeting of development inputs through the involvement of all possible stakeholders in project design and monitoring;
- Lead to more inclusive initiatives as it improves the opportunity for women and other discriminated groups to be involved.

⁴³ The information in box is adapted from: UNDP. 1997. *Empowering People. A Guide to Participation*. New York: UNDP. Available at: <http://www.undp.org/csopp.htm>; and DCD. 1998. 'Integrated Development Planning for Local Government. A Collections of Workbooks. Pretoria: CSIR.

Democratic participation in the first instance involves regular competitive elections to ensure that the citizenry is represented in the broadest sense. This can be enhanced substantially with a variety of participatory methods and tools, some of which are discussed below. In the last twenty years there has been innovative experimentation with a variety of techniques to open up the political decision-making processes of local councils as the inadequacy of only relying on periodic elections became more obvious. For example, Policy Roundtables are excellent mechanisms to convene a diverse body of opinion on critical policy issues. It enables politicians to solicit views beyond that of the officials and it opens up the deliberation process to society in general. Other methods to expand citizen involvement in decision-making include Advisory Committees, Citizen Juries, Citizen Charters, Municipal Scorecards, Focus Groups, etc.

Accountability promotion strategies include public announcements about the plans, budgets and performance of the municipality. Municipalities who are good at this usually have an explicit information/communication strategy to keep the citizenry informed and encourage the posing of questions and debate. This is further enhanced if elected municipal officials are consciously involved in reporting to constituencies and are penalised if they do not report back.

Transparency measures include policies that encourage full disclosure of council decisions and space for the media to report (critically) on the activities and performance of the municipality.

Benefits:

- Democratising the public domain enhances the legitimacy of the municipal council, which makes citizens more inclined to adhere to laws and pay taxes.
- It also lays the basis for community involvement.
- It will encourage the community to take responsibility for sustaining urban infrastructure investment and building an overall culture of inclusivity and possibly even equity.
- Over time, it provides fertile ground for the training and development of future municipal leaders.

Toolbox: Method - Citizen Charters

This is a powerful tool to promote awareness amongst citizens and advocacy groups about citizenship rights and obligations as embodied in the national constitution (if one exists) and/or relevant legislation, and in international protocols and treaties that the respective country is a signatory of. Citizen Charters are meant to promote democratic and participatory political processes, which in turn reinforces the legitimacy and authority of the municipality.

Citizen Charters are the outcomes of a highly interactive and iterative process of inviting citizen input into a process of drawing up the charter. The starting point is the minimum obligation set out in the constitution and/or relevant legislation. In the process of inviting comments and further input to supplement constitutional provisions, citizens are also educated about their existing rights and entitlements. The most dynamic processes usually mobilise community-based organisations and citizen groups, especially in schools, religious institutions, universities, etc., in making suggestions. The media plays a major role in popularising the process and the eventual product. It will be important to explore inclusive methods to ensure maximum input and reach in the process of drawing up and publicising the Citizen Charter. Particularly, it must be prevented that people with lower levels of literacy find themselves excluded from the process.

Once the Citizen Charter is drafted and ratified through various symbolic initiatives, a watchdog institution can be established to ensure compliance on the part of the municipality and citizens with regard to their obligations towards the local state. A possible format for such an institution is a City Ombudsman who becomes the custodian of the Citizen Charter.

One of the actions that can flow from the formalisation of the charter is a systematic audit of all municipal regulations and by-laws to identify if any of these contradicts the letter and spirit of the Citizen Charter. This can then lay the basis for legislative and policy reform to ensure that all municipal regulations are compliant. It is important to continuously refresh awareness and understanding of the Citizen Charter. For example, an annual symbolic event could be organised where politicians and representatives of citizen groups pledge themselves to the realisation of the Charter.

The scope for participatory democratic practices in the public domain depends heavily on the national framework, but even in restrictive national contexts, participatory innovation is still possible.

5.3.2 City Wide Scale

Participatory governance at the city-wide scale is crucial. The primary purpose of participatory action at this scale is to harness the energy of organised stakeholders in the city on issues of common concern, which require joint action to achieve results. Cities and towns are increasingly vulnerable to rapidly changing external forces and need to be equipped to respond to these forces in a coherent and co-ordinated manner. Given the complexity of these processes and the speed of contextual change, it is critical to draw on the intelligence and resources of all urban stakeholders.

The most useful mechanism to unlock a more co-ordinated response to macro trends is a city-wide strategy. One of the leading proponents of city strategic planning is Jorgi Borja, Director of the Strategic Plan Office and the Citizen Participatory Office in the Municipality of Barcelona. He argues that cities must become protagonists of their local economies and broader socio-cultural identities in a globalised market place of goods, services and ideas. To achieve success, the city plan must be inclusive of all, including voiceless and marginal actors. Secondly, it must build or modify the image the city has of itself and the image it has in the eyes of others. Lastly, the city plan must result in a radical reform process of the municipality itself, at political and administrative levels.⁴⁴

City-wide forums that focus on forging a shared vision and strategy for the city are an important starting point to build adequate capability to formulate a meaningful city plan. A good example is the Latin American experience with *Concertación* (roundtables)⁴⁵. The method is explained in greater detail below in the toolbox section. In the last decade or so, an important body of experience has accumulated as different cities pro-actively implemented a host of techniques to promote better co-operation and productive collaboration at a city-wide level. More often than not it has been precipitated by a deep structural crisis, e.g. decline of anchor industries, dramatic natural disasters such as earthquakes, or the dislocation of civil war. Examples abound from both the post-Industrialised and Developing Countries of successful turn-around initiatives once disparate resources and energies were harnessed behind a shared vision.

Practically, it usually means that the city government or a dedicated agency takes the initiative to convene a multi-stakeholder process, using various participatory techniques, to achieve a shared understanding of the problem with a view of developing a strategy to solve it. Strategic analysis and planning methods traditionally used in the private and voluntary sectors are usually adapted to make such processes work. This has been the level at which the UMP has directed its work over the last five years, through the promotion of city consultations. Chapter 4 provided graphic examples of how city consultations have achieved important innovations across a variety of areas of urban management. The toolbox below provides a summary of how the city consultation methodology works in practice. It has also been used by other Habitat programmes such as the Sustainable Cities Programme, Community Development Programme and the Local Agenda 21 Programmes, with significant modifications.⁴⁶ This demonstrates that City Consultations can be initiated using a variety of entry points, depending on the local context. For example, the focus could be to find a shared approach to deal with cross-cutting issues such as environmental pollution, urban poverty, HIV/AIDS, unemployment, social violence, etc. The UMP has restricted itself to a focus on urban poverty, environmental management and participatory governance.

⁴⁴ Borja, J. 1996. 'Cities: New Roles and Forms of Governing.' In Cohen, et al. (eds.) *Preparing for the Urban Future. Global Pressures and local Forces*. Washington: Woodrow Wilson Centre. More practical guidelines are provided in: Borja, J. & Castells, M. 1997. *Local and Global. The Management of Cities in the Information Age*. London: Earthscan & Habitat.

⁴⁵ *Concertación* means involving the population in the design of policies, in the implementation of actions and the follow-up and evaluation of investments, programs, etc.

⁴⁶ Links to the homepages of these programs can be found from the Habitat homepage: www.unchs.org.

Benefits

- The outstanding benefit of a participatory approach at this level is that it potentially achieves 'buy-in' across a wide spectrum of urban actors for initiatives to improve the overall quality of life and functioning of the city. This cannot be achieved if municipalities act in a traditional top-down fashion, using structure plans to shape the urban area. Given the plurality of needs, resources, capacity and interests, municipalities must learn to use participatory techniques to help stakeholders focus on higher order priorities that transcend their immediate interests.
- Successful city-wide planning and co-ordination promotes realistic prioritisation between competing investment issues.
- City-wide forums facilitate the identification of linkages between different investments in the public, private and voluntary sectors. For example, training and skills development initiatives can be co-ordinated more effectively with much more dramatic impact on the long-term skills requirements of the local economy.
- It creates a more level playing field between unequal actors in the city. In most cities, private sector firms tend to have a disproportionate, even if behind-the-scenes, influence on municipal officials.
- It promotes a more controlled framework for the involvement of traditional authorities and indigenous councils, which is applicable in a significant number of countries in the regions that UMP operates in.⁴⁷
- It potentially promotes administrative reform to ensure greater responsiveness to the needs and demands of the urban public, especially the urban poor.

Toolbox: Method ~ City Consultations⁴⁸

City Consultations (CC) are a method of bringing together key stakeholders in the city from civil society and local government around a thematic focus to jointly construct a viable plan of action to address specific problems. It is a process that unfolds over a period of time, structured by a number of critical milestones. The flow diagram below demonstrates the process and the key milestones.

The CC method recognises that the quality of the process and eventual product is dependent on the quality of the preparation, the integrity of the actual deliberations and the concreteness of the plan of action, which is produced at the end. In other words, the orientation of the method is highly concrete and seeks to formulate practical interventions that all stakeholders can agree with and contribute to. One of the defining features of the approach is *flexibility* to ensure that local actors own and shape the method as opposed to being compelled to follow rigid sequential steps.

A number of critical preconditions need to be in evidence before the approach is deemed viable. These include, inter alia, a strong and independent civil society sector, potential for follow-up financing of action plans, and strong political commitment. In the preparatory process leading up to the CC a number of issues need to be clarified in a participatory manner with key stakeholders, such as more detailed problem identification, the optimal organisational structure, identification of which city government actors will be most effective in the process, the envisaged time frame for the process, identification of relevant civil society actors, potential donors and the most inclusive consultation approach. Decisions on these and other matters are contained in a report called the initiating brief which will serve as a local guideline for the actual consultation process.

In terms of the method, it is crucial that the city government is committed to the process through some form of Memorandum of Understanding to avoid confusion and uncertainty in the future as the process unfolds. The starting point for the consultations is the preparation of a City Profile, which is a thorough analysis of all the information relevant to the thematic focus of the CC. It should also have a more forward looking slant and identify possible action ideas and resources to eventually implement the action plan that is adopted further down the process.

The next phase is the backbone of the methodology; it entails the actual consultation activities. UMP recognises that various methods and tools can be used and will be appropriate in different circumstances. Nonetheless, in almost all

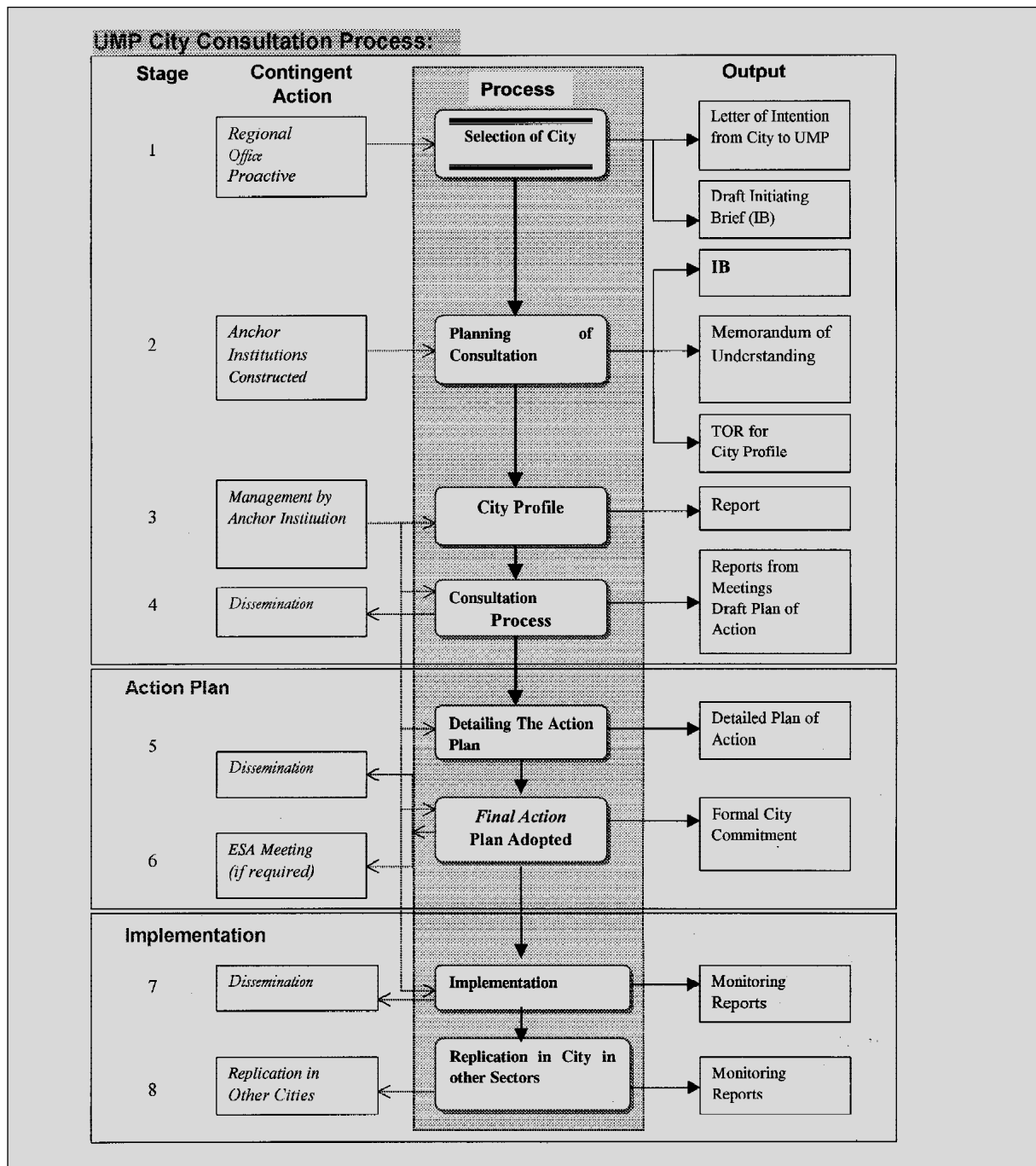
⁴⁷ The role of traditional authorities and indigenous communities are of particular importance in the Arab States region, parts of Latin America, especially around the Amazon region and in a number of regional and district level contexts in Sub-Saharan Africa. A lot of the local democratisation literature tends to under-estimate the continued importance and influence of these authorities. The challenge is to find creative mechanisms to include these leaders in local deliberation processes.

⁴⁸ A much more detailed description is available from UMP offices, particularly the document: UMP, 1999. 'UMP City Consultation Guidelines', Unpublished discussion paper.

Toolbox: Method - City Consultations (contd.)

cases, the process will be kick-started with an event over a few days, which involves a plenary session with smaller workshops to allow for detailed engagement between the different actors. This is followed-up with a series of meetings in Working Groups over a number of weeks and consolidated periodically in one day workshops with all stakeholders where proposals are validated. This process will eventually culminate in a Consensus Statement based on the deliberations.

The next step is to convert the consensus into a detailed Action Plan. The consultative meeting will lead to the development of the Action Plan. It is envisaged that the team will require the support of technical professionals in drafting the document, which must include costing of the implementation of the Action Plan and where the resources will be sourced locally, and possibly nationally or internationally. These Action Plans are deliberated with local governments and other stakeholders. Pilot demonstrations are often implemented with local resources, while donor roundtables are organised for city-level action plans.



Toolbox: Method - Concertación⁴⁹

Concertación is Spanish and translates poorly as 'discursive roundtable'. We therefore stick to the Spanish term to avoid loss of meaning and nuance. This method has emerged in the Latin American context and has been refined over the last decade.

Concertación on a local level is essentially a territorial pact among actors (private and public) operating at that level. This commitment materializes in a formal process of deliberation and definition of actions and responsibilities, with the aim of achieving a common objective, a reconciliation of priorities and an overcoming of conflicts of interest. A *mesa de concertación* symbolizes this pact in the idea of actors (persons) sitting around a table (*mesa*) to talk and discuss common interests until joint decisions are made about priorities and plans of action.

Its greatest value is that it achieves a broad framework of agreement within which it is possible to initiate a variety of discrete programs and projects. It fosters concrete relationships between various urban actors based on personal knowledge and the experience of negotiation and deliberation. It serves as an excellent complement to the deliberations and executive authority of the municipality. Lastly, it also provides a conducive framework to leverage external resources and support because it builds confidence amongst outside actors who seek well-functioning localities to invest in.

An example is the *mesa de concertación* in Cajamarca, Peru. This initiative was promoted by the Provincial government of Cajamarca in 1993, and is a policy strategy for the management of sustainable development that favors the participation of the state, local governments, economic agents and civil society organizations in planning, in common actions, and in the optimization of resources. To help support the development of the *mesa*, training workshops were held, as well as yearly assemblies for planning. Dissemination of the *mesa* process was conducted through local communications media. The participatory process includes both territorial and thematic *mesas* in the areas of population, family, education and culture, natural resources, among others. Its principal achievements include a development plan for the province that articulates local and central resources as well as international cooperation. This model has been adopted in six other provinces in Peru.

In San Salvador, a UMP supported effort in participatory governance included zonal *mesas de concertación*, and development councils and cross-sector committees for development. In the case of the *mesas*, the municipality of San Salvador was divided in seven zones, and preparatory meetings were held with social sectors, followed by zonal assemblies in conjunction with the municipal council. A significant achievement resulting from the experience has been the strengthening of the mayor's office, a better planning of investment and the perception by the population of the existence of a new form of government.

To work effectively it requires unambiguous political endorsement backed-up with resources to make the preparatory processes work effectively. It must include all the key stakeholders and special efforts should be made to involve more marginal actors and facilitate the participation of people and organisations with limited formal training. Its limitation is that it can become a forum for forming elite pacts between well-organised and vocal actors in the city at the expense of less articulate and less organised sectors. Special measures should be employed to continuously monitor this danger and actively avoid it.

⁴⁹ Adapted from: Winchester, L. 1999. 'Latin America Regional Overview', Unpublished paper prepared for input into the Global Urban Governance Policy Paper, UMP.

5.3.3 Neighbourhood/Community

In the last two decades of urban management experience, there has been a growing shift towards a more area-based approach to different aspects of urban development. This represents a move away from the more conventional project-based approach that proved too piecemeal and fragmented. An area-based approach is more complex, but potentially more sustainable, because it recognises the inter-relationship between various dimensions of (especially poor) households' infrastructure and service needs. It makes it easier to ensure a 'fit' between the development investments of municipalities and the livelihood strategies of the poor.

Getting the participation of the poor involves a lot more than finding the right technique. It requires strengthening the organisational and financial capacities of the poor so that they can act for themselves.

(World Bank, 1996)

Development planning at an area-based scale reinforces a more meaningful role for municipal councillors who are either elected on a ward/constituency basis, or on a proportional representation basis but focus their work on specific constituencies. In other words, area-based planning makes it easier for political officials to work with local actors to develop more comprehensive and integrated development strategies at a neighbourhood scale. This approach is much more powerful in poor and marginalised settlements than middle-class neighbourhoods, who generally have better ways and means of influencing the political process. Within poor neighbourhoods, an area-based approach also facilitates the participation of more marginalised and voiceless constituencies—people disadvantaged in terms of income, education, ethnicity, religion, identity or gender—that are usually not represented by strong patrons who traditionally interface with municipal officials.⁵⁰ As such, an area-based approach can potentially enable greater equity in participation.

Three types of participatory processes are used at this level. These include methods to:

- (i) Encourage participatory assessment of problems, opportunities and priorities in the area;
- (ii) Create representative co-ordination structures to interface with the municipal council and possibly outside actors (e.g. donor agencies or national government agencies);
- (iii) Decide on and use monitoring indicators to facilitate greater accountability around concrete plans and interventions.⁵¹

A successful method to link the neighbourhood level to the broader city level is the participatory budgeting process. It has taken off phenomenally in many parts of the world, but most extensively in Latin America. Its appeal is that it provides extremely practical issues to focus on and eventually facilitates reaching consensus on how best to address these issues. Participatory budgeting is also effective in strengthening democratic accountability between the municipality and urban citizens, because both elected and appointed officials are compelled to justify and explain their decisions and priorities. The toolbox below explores how participatory budgeting works in practical terms.

Benefits:

- It strengthens the possibility of a more direct accountability link between elected officials and the constituencies they represent.
- It promotes a more integrated development approach by compelling municipal departments to work together to solve inter-related problems at an area level.
- It promotes stronger ties between various organisations and households as they collaboratively prioritise and contribute to development initiatives, e.g. savings-linked housing projects.

⁵⁰ Abers, R. 1998. 'From clientelism to cooperation: Local government, participatory policy, and civic organisation in Porto Alegre, Brazil.' In *Politics & Society*, Vol. 26(4): 511-537; Friedmann, J. 1992. *Empowerment. The Politics of Alternative Development*. Cambridge: Blackwell.

⁵¹ Pioneering work on community-based indicator systems are being done by the New Economics Foundation, based in the UK. See their website for more information: www.neweconomics.org.

- It allows for more effective interventions around economic and environmental programmes because it is a meaningful scale for intervention—not too large and not too small.

Toolbox: Method ~ Participatory Budgeting⁵²

This method applies at a city-wide scale, but it is built up from the neighbourhood level and is therefore instructive. It assumes that there is some form of neighbourhood association that seeks to co-ordinate and champion the interests of a given neighbourhood.

The first task is to engage in social animation processes to establish what the priority needs at the community level are. Ideally, this involves a variety of tools, especially visual aids and techniques, and relating the key concepts to the daily budgeting decisions of households. Once this has been achieved in a participatory and inclusive manner, it uses the list of needs and prioritises it. The list is further developed to differentiate between short-, medium- and long-term investment periods. This is then taken into the broader participatory budgeting process.

The broader process involves the municipality informing the community about its own budgetary priorities at a city-wide level to demonstrate how it seeks to balance the various needs and demands of all the neighbourhoods in the city. It also specifies its own plans and investment projection for the specific locality. Community groups and neighbourhoods then have an opportunity to engage with the municipality by complimenting the aspects they agree with and taking issue with the decisions they are unhappy about. This informs the final round of prioritisation and costing at the neighbourhood level.

Once this stage is completed, a neighbourhood delegate is appointed and mandated to take the priorities and needs of the neighbourhood to a higher-level budgeting forum. At this regional forum, the delegates from different neighbourhoods engage with each other and with representatives of the council about higher-order priorities and how these relate to their interests. In this process, which unfolds over a number of weeks, it is absolutely critical that the delegate feeds the information back to the neighbourhood association. (A number of other processes unfold at the city-wide scale, which is beyond the purpose of this brief summary.)

In the final stage, once budgetary decisions are made and investment priorities are decided, the neighbourhood association has a responsibility to monitor the actual investment to ensure that it is in line with the planned intentions.

The value of this particular methodology is that it makes it possible to move from fragmented demands to a more integrated agenda, once residents can 'see the bigger picture' at the neighbourhood and city-wide level. It also promotes sound financial management and strategic thinking about future savings and resources in the municipality and lays the basis for sustainable settlement development processes. Lastly, it is a good methodology to get technocratic officials interested in community participation because they are challenged to translate their professional expertise into information that can be understood by non-specialist communities.

To work effectively it requires time, dedicated staff, accessible material, sustained involvement and political commitment from all of the role players involved. In a context of strong patron-client politics and deeply divided communities this may be very hard to achieve. It also requires pragmatism and patience from all the stakeholders involved, especially in the initial years as community representatives learn about the dynamics of the process and especially how trade-offs between different priorities are achieved.

⁵² This summary draws on the insightful work of Rebecca Abers who has done substantial work on the participatory budget process in Porto Alegre. She provides much more textured detail about how this process works in practice, which is essential reading for municipalities who want to explore using this method. See: Abers, R. 1998. 'From Clientelism to Cooperation: Local Government, Participatory Policy, and Civic Organisation in Porto Alegre, Brazil.' In *Politics & Society*, Vol. 26(4): 511-537; Abers, R. 1998. "Learning Democratic Practice: Distributing Government Resources through Popular Participation in Porto Alegre, Brazil", in Douglas & Friedmann (eds.) *Cities for Citizens*. Chichester: John Wiley & Sons.

5.3.4 Programmatic / Sectoral Level:

The programmatic or sectoral level is often a more appropriate or convenient starting for development interventions from a municipality's perspective. Often, it is easier to use a sectoral focus as an entry point for planning, initiating stakeholder input or establishing monitoring indicators. A programmatic or sectoral approach promotes improved co-ordination and linkage between departments who are used to working in isolation. For example, a safer cities programme may require the traffic control department to liaise with roads and transportation, and the community amenities departments to ensure that public transport is regulated to improve the safety of women. This will have applicability across the city and not just in one neighbourhood, unless the initiative is piloted at a neighbourhood level.

Box 5.2: Questions informing a Stakeholder Analysis

- What are the stakeholder's expectations of the activity?
- What benefits/drawbacks are there likely to be for stakeholders?
- What resources will stakeholders wish to commit (or avoid committing) to the programme/project?
- What other interests do the stakeholders have which may conflict or align with the project?
- How does the stakeholder regard other stakeholders on the list?
- Are there other stakeholders they can identify?

These questions are crucial because different stakeholders always have different levels of power, different interests, and different resources.

Municipal innovations in the last fifteen years or so can often be traced back to some form of programmatic or sectoral approach. For example, if one reviews the numerous entries in the best practices database of Habitat, it is evident how important the programmatic approach has become.⁵³ Participatory strategies in the development of programmes usually rely on a stakeholder identification process to ensure that all the different actors who may be affected by the programme have a say in how the programme is designed, implemented and reviewed. Again, a plethora of specific participation tools are available, depending on the exact nature of the programme, its scope and the level of resources available.

In fact, most of the participatory tools that present themselves have emerged from sectoral work around poverty reduction and environmental protection and management. For example, the principal output of the United Nations Conference on the Environment and Development (UNCED) in 1992 was Agenda 21—an action plan to guide collaborative action between different stakeholders to achieve sustainable development. The adaptation of this to local communities—Local Agenda 21—has resulted in an important impetus to mainstream participatory methods between various actors. A good example of this is the ICLEI Local Agenda 21 Handbook.⁵⁴ The central assumption is that solutions for environmental problems cannot be arrived at without meaningful participation of people, especially the poor who often have to engage in environmentally destructive acts in the processes of eking out a living, or whose knowledge systems can contribute to environmental solutions.

Typical participatory methods in the case of environmental programmes include use of strategic services planning, stakeholder assessments (see box 5.2),⁵⁵ partnership institutional framework, community priority setting, systems auditing and methods that facilitate participatory monitoring and evaluation processes. A similar set of approaches is used in the case of formulating poverty reduction strategies or local economic development strategies. Complex urban problems such as urban poverty, HIV/AIDS, environmental degradation, economic decline and endemic social violence require programmatic responses. Institutionally, solutions to these problems can only be realised through partnership-based models that maximise the resources and skills of various stakeholders. A generic partnership model involving the municipality and various stakeholders is captured in

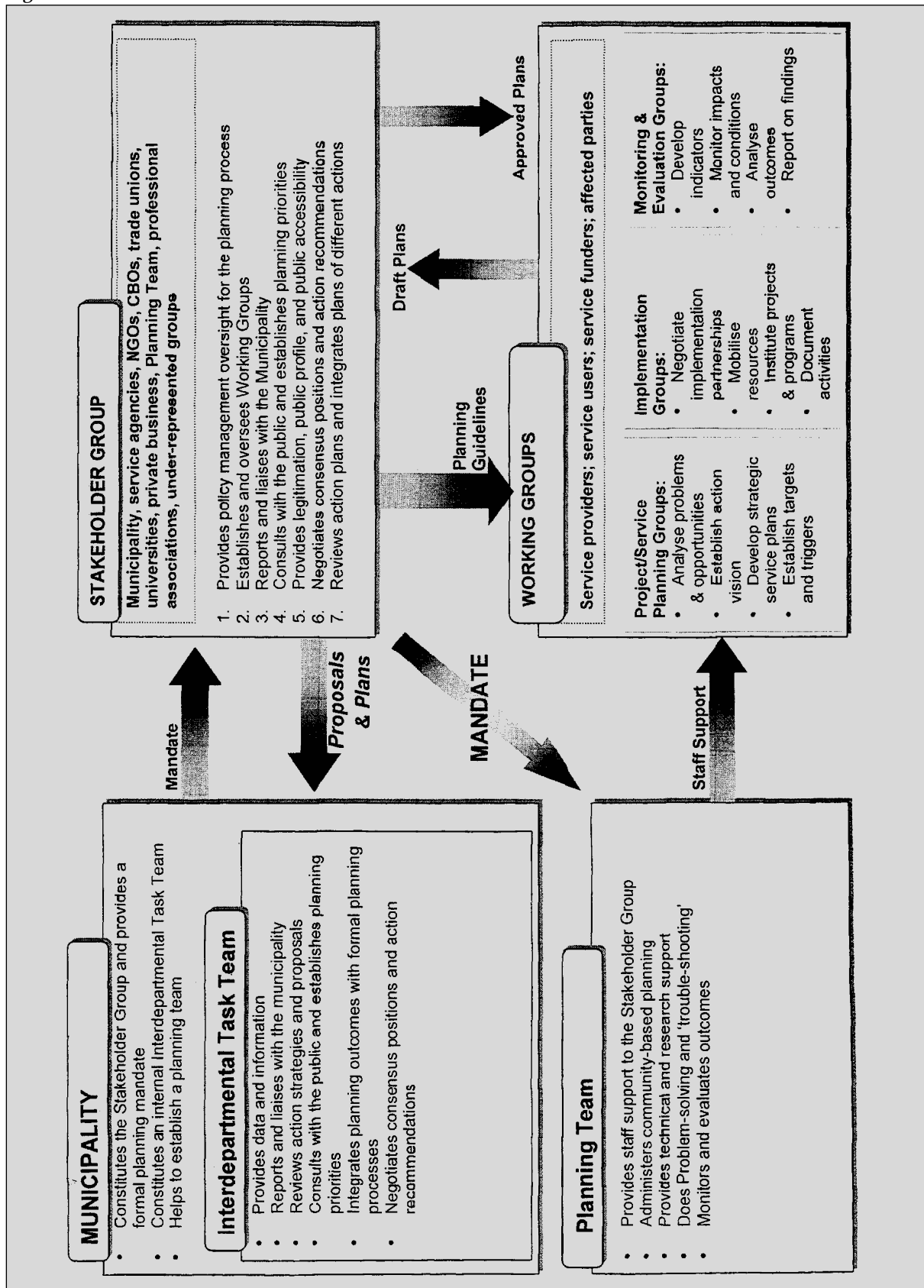
⁵³ The Best Practices Database is a searchable database that contains over 650 proven solutions to the common social, economic and environmental problems of an urbanising world. It demonstrates the practical ways in which communities, governments and the private sector are working together to eradicate poverty, provide shelter, protect the environment and support economic development. It can be accessed at: www.bestpractices.org/

⁵⁴ This can be obtained from Internal Council for Local Environmental Initiatives via their website: www.iclei.org.

⁵⁵ Box is drawn from two sources: UNDP. 1997. *Empowering People. A guide to Participation*. New York: UNDP; World Bank, 1996. *The World Bank Participation Source Book*. Environmental Management Series, Washington DC: World Bank.

figure 5.1 below. It provides a schematic representation of how partnerships can be operationalised and sustained to ensure effective policies and interventions. The partnership model is the method we explore in this section.

Figure 5.1.



Toolbox: Method ~ Partnership-based Planning & Decision-making Model

The municipality takes the initiative to constitute a Stakeholder Group and devolves a formal planning mandate to this group, without compromising the legal responsibilities of the council.

An Interdepartmental Task Team is established to ensure that all the relevant departments are represented and will cooperate with the Stakeholder Group. It also provides support to the Stakeholder Group in constituting the Planning Team, which is responsible for providing ongoing support to the Stakeholder Group. The other responsibilities of the Interdepartmental Task Team are specified in diagram 6.1 below. The Planning Team represents the hub of the model. This group brings together representatives from the Stakeholder Group and senior officials from the Municipality. It carries out the mandates of the Stakeholder Group and provides support to the various Working Groups where the detailed deliberations are carried out.

Based on the mandate obtained from the municipality, the Stakeholder Group provides overall policy and managerial oversight for the planning process. To expedite its work, the Stakeholder Group will form Working Groups where the detailed deliberations will take place. In general, at least three Working Groups will need to be formed: i) a project/service planning group; ii) an implementation group; and iii) a monitoring and evaluation group. Depending on the scale of the programme or issue, more than one sub-group may need to be established to carry out the work.

The Stakeholder Group is further responsible for consulting with the public at large, using a variety of methods and tools. The primary purpose of the Stakeholder Group is to provide legitimacy, public profile and accessibility to the policy formulation and planning processes. This is also where the necessary consensus between conflicting interests is hammered out to ensure a broadly equitable and viable approach.

The lines of communication and information flows are captured in figure 5.1.

Similar to the City Consultation method, this approach is very good in fostering buy-in and collaborative action between different stakeholders. It is particularly powerful in fostering inter-departmental cooperation and coordination. The downside is that it can be very cumbersome and potentially expensive to operationalise this framework. Agreements can unravel or be partial if the Stakeholder Group does not function well, which can easily happen if it is dominated by powerful and well-resourced interests. Strong process management is required to avoid this.

5.3.5 Project Level

Neighbourhood level planning and sectoral programmes are normally broken down into discrete projects. The literature and experience suggests that it is crucial to ensure that a participatory approach is applied at this level as well. In fact, this is in many ways the most appropriate level to ensure substantial participation of intended beneficiaries/target groups of projects. Most poverty alleviation, service extension and environmental management projects by definition require the active involvement of the beneficiaries to ensure relevance, ownership and sustainability.

Box 5.3: Criteria for selecting a participation method:

- What do you want to achieve with the instrument?
- Who will be involved in the process, e.g. only women, or more illiterate than literate people, etc.?
- What are the constraints facing different stakeholders in terms of participating effectively?
- What time frame is applicable?
- What is the nature of the dynamics and relationship between the various stakeholders?

An extensive array of participation methods can be deployed at the project level. Clusters of methods are available for every step in the conventional project cycle: problem identification and analysis; planning;

implementation; monitoring; evaluation; and a new planning cycle. We will summarise one method that facilitates a participatory process to plan every aspect of the project cycle and that becomes a monitoring framework during the lifespan of the project. In practice, the exact method is of less importance; the most important aspect is to adopt a participatory stance and, based on the specifics of the local context, mix and match different tools to ensure the most relevant, inclusive and beneficial process. In other words, the art of project-based participatory action is heavily dependent on skilled facilitators who work with the principle of appropriate and meaningful processes and are less fixated on the precision and sequence of various tools. Participation is less an end in itself than a means to better outcomes.

Toolbox: Project Planning & Monitoring Method: ZOPP ('Zielorientierte Projektplanung')⁵⁶

This method is used to focus the minds of the actors who are responsible for designing and executing a given project. The main output of ZOPP workshops is a project planning matrix. The purpose of the method is to undertake participatory, objectives-oriented planning that spans the life of the project and builds stakeholder consensus and commitment to achieve the desired outcomes.

The primary instrument of ZOPP is a matrix that must be completed through a process of intense discussion and joint decisions. The matrix is comprised of 5-6 columns depending on the approach of the ZOPP facilitator. The columns are: a) project analysis, which includes identifying the institutions versus interest groups and participant versus non-participant to determine whose concerns are relevant in planning the project; b) problem analysis to identify the core problems and their respective causes and effects in order to isolate where the response should be focussed; c) objective analysis, where a possible response to each of the problems are formulated, specifying how it will address the causes and lead to alternative outcomes; d) prioritised actions, based on the previous column where possible responses were identified; e) who will carry out the action and how it will be executed, including the costing. Each of the prioritised actions are finally translated into objective verifiable indicators (column 6) to ensure consistency in the implementation of the project and instil a continuous review cycle to ensure that the project is adapted as implementation unfolds. This matrix building exercise is usually preceded by stakeholder workshops to ensure that all the possible issues are considered and on the table.

5.4 PARTICIPATION INDICATORS

Considering the complexity of urban management and the manifold trends that need to be continuously monitored and analysed to retain strategic relevance, the role and quality of decision-making information has become very important. It is necessary to incorporate innovations in the area of monitoring indicators into the debate on participatory governance. The challenge is to identify concrete mechanisms to ensure that monitoring systems serve the broader objectives of participatory governance. Traditionally, indicators have been only used for inputs and outputs that are relatively easy to quantify. Also, indicators were usually applicable at the national scale and not sufficiently applied at the local scale. The importance of urban governance, and especially tasks such as poverty reduction, environmental management, safety and security, require a more subtle and qualitative approach.

A collaborative initiative between UMP and the Urban Indicators Programme (UIP – Global Urban Observatory) has begun work to develop appropriate indicators on urban poverty and governance, which includes work on participation indicators. This initiative is instructive and can help to further clarify how a political commitment to a participatory approach should be underpinned by practical policies and tools to ensure it is carried through in all aspects of the work of municipalities. Of particular relevance for this discussion paper is the work on governance indicators, and the sub-set of indicators on participation.

⁵⁶ Adapted from: Box is drawn from two sources: UNDP, 1997. *Empowering People. A guide to Participation*. New York: UNDP; World Bank, 1996. *The World Bank Participation Source Book*. Environmental Management Series, Washington DC: World Bank.

The formulation of governance indicators is based on the following principles: accountability, transparency, predictability, information and the rule of law. These principles, in turn, are translated into a series of features of municipal government, which include: fiscal rectitude; capacity for the analysis and formulation of sound economic policy; providing an enabling environment; equity and social justice in the allocation of resources; end of corruption; legitimately elected representatives; unrestricted people's participation in decision-making; unrestricted flow of communication and information; and identification of the fiduciary or trust, responsibilities of government.⁵⁷

An instructive paper on governance indicators has been prepared by Joe Flood. He argues that there has been relatively little practical experience with formulating complete systems of governance indicators, despite the importance of the issue. He ascribes this to the fact that good governance requires changes to *processes* rather than outputs, which are more easily quantifiable. Also, governance relates to a number of politically sensitive measures, which require context-specific adjustments.⁵⁸

A summary of governance indicators is reproduced in the above-mentioned paper, which is indispensable for readers who want to explore this particular issue in greater detail. Practically, he suggests that it is important for local actors to agree on what they want to include in the monitoring framework. It must be built up from the following elements:

- Establishing a set of principles involved in good/participatory governance;
- Establishing a set of norms of desirable outcomes on behalf of different actors;
- Establishing indicators that measure these outcomes.⁵⁹

More recently, in the lead-up to Istanbul+5, a project is underway to collect participatory urban decision-making indicators. The purpose is to help municipalities in formulating decision-making indicators for their localities. The objectives of such indicators would be:

- to measure the participation of each stakeholder group during each process activity in the city;
- to measure the 'level of consensus' among the local actors on intermediate decisions (priority, strategy, etc.). This consensus reflects the global sustainability of the agreed decisions; and
- to measure how gender-sensitive the various activities are.⁶⁰

A lot more can be said about this rapidly expanding area. For our purposes it will have to suffice that municipalities and local actors need to include follow-up action in this terrain if they want to achieve success in mainstreaming participatory governance. An important benefit of using indicators is that it fosters greater levels of trust amongst key stakeholders, because a commitment to measure outputs and performance instils credibility and legitimacy. Trust will be enhanced if these indicators are developed in a consultative and inclusive manner.

5.5 OVERVIEW OF PARTICIPATION INSTRUMENTS

The purpose of this chapter was to provide readers with a comprehensive overview of the different dimensions of urban governance and how a participatory approach can be promoted and mainstreamed. It does not provide an exhaustive list or typology of all the possible participatory methodologies and tools at the disposal of municipalities, simply because the list would be endless. Also, pretending to present a conclusive list would not do justice to the various methods and adaptations of 'mainstream' methods, which have been developed for

⁵⁷ UNCHS (Habitat) 1999. 'Urban Poverty and Governance Indicators. Background.' Discussion paper prepared for the Expert Group Meeting.

⁵⁸ Flood, J. 1999. 'Governance Indicators'. Prepared for the Expert Group Meeting on Urban Poverty and Governance Indicators, 28-30 April 1999.

⁵⁹ Flood, J. 1999. 'Governance Indicators'. Prepared for the Expert Group Meeting on Urban Poverty and Governance Indicators, 28-30 April 1999.

⁶⁰ UNCHS (Habitat). 1999. 'Participatory Urban Decision-making Indicators. Guidelines for Istanbul +5.'

specific contexts. Instead, this chapter seeks to capture specific examples of what has been tried and how certain methods could work in practice. Table 5.2 below provides a summary overview of the methods and tools discussed in this chapter with a few additions. More detailed elaborations can be explored in publications of UNDP, the World Bank, German Technical Cooperation (GTZ) and the Department of International Development (DFID – of the UK government).⁶¹

Table 5.2: Summary of participatory methods & tools					
	1. Democratic public sphere	2. City-wide planning & coordination	3. Neighbourhood	4. Sectoral/ Programmatic	5. Project level
Tools:	-Advisory Committees -Citizen Juries -Citizen Charters -Municipal Score-cards -Focus Groups -Youth / Children's Councils	-City visioning exercises/ processes -City referenda -Information strategies -City consultations - <i>Concertación</i> -	Participatory diagnostics tools, e.g. force field analysis, mapping exercises -Participatory planning processes -Focus groups -Stakeholder assessment methods -Workshops to energise people and access local knowledge	-City consultations -Partnership protocols -Gender, disability, youth audits and panels -Agenda 21 processes -Strategic services planning -Stakeholder assessments -Partnership institutional framework, -Community priority setting -Participation audits -Participatory monitoring and evaluation processes	-Participatory budgeting techniques -Participatory project management techniques, e.g. ZOPP and other logframe derivatives -Participatory monitoring techniques -Workshops
Cross-cutting:		Participation Indicators & Monitoring			

In practice, it is not as easy to draw distinctions between these different categories of participatory action. The purpose of this chapter is simply to provide a categorisation tool to assist municipal practitioners to think and plan in more disaggregated terms if they want to enhance democratic participatory processes. The World Bank's experience has led them to conclude that 'many cultural, economic, and political barriers effectively prevent the poor from having a real stake in development activities. Without special efforts by the designers and sponsors of projects and without appropriate policies to address and overcome these obstacles, the voices of the poor will not be heard. At best, their participation will be token. Reaching the poor, therefore, requires working with them and learning about their needs, understanding how development decisions are made in their communities, and identifying institutions and mechanisms that can get opportunities and resources into their hands.'⁶²

The methods and tools discussed in this chapter must be interpreted in relation to the discussion about the difference between the traditional hierarchical municipal model versus the more strategic developmental institutional approach. Most of the methods discussed can best be optimised in the context of the strategic developmental model. In other words, we argue that there is a link between improving the capacity of the municipality to operate within a participatory governance frameworks and the institutional model that it adopts. If this link is fully developed it will manifest itself in the following features:

⁶¹ The following publications provide an extremely comprehensive overview of the history, politics and practicalities of participatory methodologies in all aspects of urban management: UNDP. 1997. *Empowering People. A guide to Participation*. New York: UNDP; World Bank, 1996. *The World Bank Participation Source Book*. Environmental Management Series, Washington DC: World Bank.; Also see the Participation Group Homepage on the IDS website: www.ids.ac.uk.

⁶² World Bank, 1996. *The World Bank Participation Source Book*. Environmental Management Series, Washington DC: World Bank, p. 145.

- a dynamic frontline section within the organisation that is able to provide quality services, respect social and political rights and collaborate with various stakeholders in the process of service delivery;
- functional inter-departmental teams who work with community actors to ensure adequate input into program and project design, but also possible involvement in the process of delivery where and when appropriate;
- a strong strategic management apex that maintains regular and open channels with organised urban stakeholders to ensure that the city plan/strategy is shared and pursued by all;
- a vibrant political chamber, which functions accountably, responsively and conducts its business in a transparent manner.

5.6 INSTITUTIONALISATION

This chapter concludes with a section on practical guidelines to institutionalise participatory governance. A commitment to participatory governance must be reflected in a systematic process of institutionalising a participatory stance in every aspect of the municipality's functioning, internal and externally. The very process of institutionalisation provides a productive opportunity for stakeholders in the municipality and in the city to work through the difficulties associated with attitudes, institutional cultures and outright resistance. This will lay a solid foundation for achieving sustained transformation.

As argued earlier, at the core of a participatory governance approach is an emphatic commitment by a given municipality to deliver effective, efficient and relevant services to urban citizens and stakeholders. The governance lens allows municipalities to recognise that effective service delivery can only be achieved on a sustainable basis if strong bonds of engagement and mutual confidence exist between the municipality and various urban actors in both civil society and the market sphere. Such bonds are bound to deepen and solidify if the municipality invests in a deliberate strategy to activate participatory governance. Institutionally, it means addressing four spheres of action:

1. city-wide decision-making frameworks;
2. mobilising around priority flagship programs and projects;
3. institutional reform; and
4. monitoring & learning to maintain momentum.⁶³

A Step-by-Step Guide to Institutionalise Participatory Governance:

In more pragmatic terms it translates into the following steps, from the perspective of the municipality:

1. Establish **political will** and **capability** to entrench participatory governance and continuously refresh it. Ideally, the municipality will pass a formal council resolution and commission the drafting of an explicit governance policy framework.
2. Invest in the establishment of a **dedicated mechanism** in the municipality to promote good governance in all dimensions of the municipality work. It is critical to invest such a mechanism with sufficient resources and meaningful authority, for example by locating it in the city manager's office and ensuring that it has a reporting line to the council as well.
3. Initiate **city-wide forums** to actively involve a diverse range of stakeholders in the process of constructing a shared vision for the city and its development, e.g. through city consultations, city referenda, etc. Depending on local conditions, it may be appropriate to kick start such a tradition with a general city

⁶³ These themes are explored at greater length in: Pieterse, E. & Jyslen, J. 1999 'Practical Approaches to Urban Governance.' *Habitat Debate*. Special Issue on Urban Governance.

visioning process that will result in a city-wide strategy. Alternatively, a municipality could start more modestly by focusing on a thematic issue such as the environment or poverty, or even more specific, e.g. making the city safe for women.

4. Conduct a **participation audit** of the existing activities of the municipality to assess how citizen participation can be strengthened and how synergies can be forged with what other urban actors are doing. Ideally, this work should be carried out in conjunction with civil society actors who have a commitment to the democratisation and opening-up of the municipality.
5. Develop a prioritised **action plan** based on the needs and opportunities identified in the audit. The action plan should pertain to decision-making processes, service delivery, financial planning and management, monitoring and civic education. It should be taken through an internal deliberation process and used as the first instrument to sensitize the municipality to a more participatory approach to its work.
6. The action plan should clearly reflect **short, medium and long-term activities** and should be finalised in conjunction with city stakeholders once a sufficient degree of consensus has been reached in the council.
7. The institutional promoter of participatory governance will have to structure its work around the following **clusters of activities**:
 - Establishing an accurate picture of the variety of urban stakeholders, their respective interests and how they could be persuaded to become involved in formal governance processes;
 - Improving the quality and frequency of systematic engagement with various city stakeholders in ways that are relevant to the interests of respective actors;
 - Identifying concrete interventions to shift the mindset of staff and politicians to work in a more participatory and consultative manner;
 - Formulating a policy on participation for the municipality;
 - Formulating a policy on partnerships;
 - Re-evaluating existing municipal plans (e.g. structure plans, infrastructure plans, etc.) from the perspective of fostering participatory governance with a view of amending them where appropriate;
 - Identifying appropriate actions in conjunction with appropriate local government associations to engage with national and regional tiers of government to advance participatory governance.

There are many routes to participatory urban governance. The world abounds with a rich diversity of local experiments that provide stimulating examples of how new ways of working can lead to better urban development for all. It simply requires political will, a shared commitment to working collaboratively and openness to learn to work in new ways to ensure greater participation and inclusiveness.

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