



Direction générale  
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**DgCiD**

# URBAN GOUVERNANCE: QUESTIONING A MULTIFORM PARADIGM



# URBAN GOVERNANCE: QUESTIONING A MULTIFORM PARADIGM

ANALYSES AND PROPOSALS OF THE WORKING GROUP  
ON URBAN GOVERNANCE

Summary report for the Division of Democratic Governance  
(Directorate for Development Policies in the DgCiD),  
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# *Introduction*

## **Formation of the working group**

This report is an account of the examination made of the topic of urban governance on the initiative of the senior research managers of the PRUD (Urban Development Research Programme) and as a follow-up to that programme, with support from the Local Governance and State Modernisation Unit in the Division for Democratic Governance of the Ministry of Foreign and European Affairs (MAEE).

The PRUD was a concerted promotional action by the Ministry of Foreign Affairs' Priority Solidarity Fund, led by the GEMDEV (Group for the Study of Globalisation and Development) and ISTED (Institute of Infrastructure and Environment sciences and technologies for Development). It ran from 2001 to 2004, with thirty research teams (240 researchers from the North and the South), leading to an international symposium of closure entitled "Governing the Cities of the South: Challenges for Research and Action", held at UNESCO in Paris on 5-7 May 2004. The proceedings of this symposium were published by the MAEE in 2005. The PRUD was also given an external evaluation, published by the MAE in 2006. The programme led to publication by its research teams of nine books and a large number of articles in specialist journals.

In addition to these standard ways of disseminating research, the programme's senior research managers sought to explore opportunities for making available to political decision-makers research findings on a topic under debate in the field of urban development that mobilises major human, institutional and financial resources from development cooperation, namely urban governance. To that end, a small group of two senior PRUD research managers, one member of the academic advisory committee and one research team leader, drafted a proposal to form a working group on this topic. The working group was set up in September 2006 with support from MAEE in association with GEMDEV and has examined the concept of urban governance. With the experience its members have acquired in the PRUD, 2001-2004, and a multidisciplinary approach, the group worked to produce a summary of the knowledge produced to inform the MAEE's formulation of an urban governance strategy. On the basis of the various topics discussed and by sharing examples given by French and international researchers, an attentive examination began of the processes of production, management, administration and government in cities of the South.

The PRUD earlier identified two sets of research topics: one concerned with outside action on cities, a field investigating specific points such as projects for urban renewal, metropolisation, the environment and heritage; the other, related to the mindsets and strategies of urban development players, sought to reveal the diversity and complexity of interrelations between players by placing them in the contexts of democratisation, decentralisation, the use of public-private partnerships to manage urban services, the respective authority of "modern" and traditional seats of power, the importance of so-called civil society, etc. This list is not exhaustive. Although the question of city government was central to the concerns of most research, as clearly emerged at the 2004 UNESCO symposium, it was not, with few exceptions, systematically formulated in terms of urban governance. For that reason we have chosen to focus on this question in the follow-up to the PRUD and to systematically reinterpret the findings of empirical research.

## Why look at urban governance?

The topic, and even the expression, were introduced into the scope of international development aid at the end of the 1980s, and more precisely by the World Bank in 1991<sup>1</sup>. It both surprised and intrigued development researchers and practitioners. French researchers, particularly in the field of urban studies in general and in developing countries, mainly operate within a tradition of critical analysis of urban policies and the manner of their implementation. What could be hidden behind the statements that abounded after the launch of what might be a concept, or a doctrine, or a new *modus operandi* for development management, and, in our field, for urban management? Analysis soon showed that there was some of all of this, and also that the unspoken element was more important than the spoken. It also soon became clear that the international body in charge of implementing structural adjustment programmes considered it essential to provide significant improvements in the institutional framework for development, so that markets would work more efficiently. For the State to do its job of providing education and health services better, especially for the poor, resources (particularly taxes) had to be mobilised and allocated more effectively.

In the definitions given in “Managing development: the governance dimension”, there is both the operational framework: “governance is the manner in which power is exercised in the management of a country's social and economic resources for development”; and the doctrinal framework, given by the World Bank's President in the preface to the same document: “Efficient and accountable public sector and a predictable and transparent framework for economic activity are critical to the efficiency of both markets and government interventions, and hence to economic development”. Governance was thus born with the new ascendancy of free-market dictates. In the field of urban development, this period was marked by a move towards greater coherence between municipal development projects and local-level structural adjustment programmes, and with decentralisation processes. “Less government, better government” and “good” governance as a criterion for combating corruption, these were soon the leitmotifs that would justify action that in practice challenged the very heart of power, namely sovereignty.

Over the years the content of this expression has changed. Governance has become more democratic (“good governance” and “democracy” are now interchangeable in much discourse), and enormous use has been made of NGOs<sup>2</sup> as essential players from civil society, in charge of social engineering to ensure a regulation of development projects that is not merely economic but also social. A major effect of these changes has been to further confuse the vision of what governance is, a catch-all phrase, a portmanteau word, a soft, elusive concept. Among NGOs a sort of development industry has arisen benefiting from significant top-down funding from international organisations dedicated to implementing “good governance”. The term has become totally accepted, is noticeably present in the development countries in the 21st century, and has produced an abundant literature in the last ten or so years, whether on global governance, local governance, or indeed urban governance.

With hindsight, we believe that governance is primarily a conceptual strategy, as John Crowley (Social and Human Sciences section, UNESCO) has proposed,<sup>3</sup> with an objective that remains the same, namely the ways and means of institutional control of development and consequently the dissociation of the power of the State from the act of governing. The whole conceptual strategy aims to demonstrate that one can only govern efficiently within an environment of democracy and the rule of law.

1) The founding text may be considered to be the World Bank's internal discussion document, “Managing development: the governance dimension”, dated 29 August 1991. The text was the result of discussions by a World Bank working group in 1990.

2) NGO/World Bank collaboration involved 28% of projects between 1987 and 1996, and 52% in 1999.

3) John Crowley: “Usages de la gouvernance et de la gouvernementalitt\_”, *Critiques internationales* 2003-4 n° 21, pp. 52-41

This conceptual strategy ceases, however, to present itself as a universal operating model in order to include the idea that governance is a changing thing with many facets. The latest definition of governance from the World Bank would appear to support this view, by the greater flexibility it displays.<sup>4</sup> “What is Governance? Governance consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced, the capacity of the governments to effectively formulate and implement sound policies and the respect of citizens and the state for the institutions that govern economic and social interactions among them.” This comes close to a requirement of democracy, and free-market dictates have disappeared, at least from the text.

### **Urban governance as a process.**

In our discussions more specifically concerning urban development, we deliberately restricted our area of examination to the mechanisms and arrangements for implementing urban policies and projects, in order to show the great diversity of these mechanisms, their complexity and capacity to change. The point was to highlight governance as a process embedded in a particular time scale, to understand the relations between the systems observed and the institutional and policy environment, so as to propose ideas that could aid decision-making for an urban governance strategy rather than to contribute to the ongoing debate in the field of political philosophy. We examine governance as a set of operating systems that is often presented as an operating model with universal application when it is associated with the conditionalities attached to development aid. Within these limits, ours is less a definition and rather an analysis which goes beyond definitions to put forward a critical view of the various definitions proposed on all sides. It is crucial to reveal the policies, backgrounds, bases, mindsets, strategies and discourse concerning and involved in governance, their multiplicity and their changes.

In order to clarify the operating field of urban development cooperation, our objective is to list the main features of urban governance, examining its scope, limits and changes. We are then able to say in what conditions the performance of urban development cooperation might be improved and with what governance systems.

### **Work of the working group.**

Using the research done as part of the PRUD, our discussions undertook overviews of five themes we selected because they are representative of the ways the process of urban governance is presented and constructed on the ground, with what limitations and difficulties:

- Urban governance, representative democracy and participatory democracy. Brief comparisons between Latin America, Africa and Asia.
- Public/private relations, questions of re-legitimising the State, based on experience in Morocco.
- Decentralisation and local government: the legitimacy of the territorial level of urban development.
- Urban transition and metropolisation, particularly experience in Vietnam.
- Urban dissent and secession: how can one manage urban “chaos”?

4) World Bank, Governance matters 2007, Worldwide Governance Indicators, 1996-2006

Each session was attended by 20 to 25 participants, with specific presentations from French and international researchers and experts (10 of the total of 47). The minutes of these sessions provide the core of this report; an overview is given in Chapter 1.

Chapter 2 examines the above themes transversally in order to reveal the local and territorial reality of the origins and main criteria for introducing urban governance, and what regulatory mechanisms there are in the systems identified. This is a further step towards the construction of an overview. We also raise the question of governance indicators.

In Chapter 3, the working group uses these two approaches, thematic and transversal, to describe elements that may contribute to defining development cooperation strategies for urban governance and makes proposals in the areas of research and training, the operational field and support for development cooperation action.

*Chapter 1*  
*An overview on thematic  
analysis and discussions*



## *Urban governance, representative democracy and participatory democracy; Brief comparisons between Latin America, Africa and Asia: Questioning practices.*

**Thematic session of 24 November 2006 (chaired by Yves Cabannes)**

Although the Bretton Woods institutions were able by the early 1990s to use the vocabulary of governance and impose it in their development aid policies, it was the UNDP (United Nations Development Programme) that in 1997 published a founding document<sup>5</sup> laying down the characteristics of “good governance” in the area of development. These initial considerations revealed an ambiguity. On the one hand, the UNDP's position clarified the notion of “good governance” used by international donors as a support for and objective of their development cooperation policy. On the other, the publication of this prescriptive definition confused the action frameworks of development players (States, NGOs, bilateral development agencies, etc.) and introduced the idea of the interchangeability of the terms “good governance” and “democracy”.

The policy document specifies that the institutions of “good governance” include three areas: the State, civil society and the private sector. These three must contribute to supporting sustainable human development and establishing “good governance” on the basis of the following features: participation, the rule of law, transparency, responsiveness, broad consensus, fairness, effectiveness, efficiency and accountability. These features, it should be stressed, are based on the experience and interests of the organisation that specifies them. For example, what it calls a concept is defined as follows: “Governance can be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.”<sup>6</sup> These are indeed democratic principles and practices, even if that word is not used.

Applying the above features to the precepts of this definition might well cause governments to establish “good governance”. However, the first precondition for implementation is participation.<sup>7</sup> But to achieve participation, transparency, fairness and the rule of law, it is to be noted that representative democracy, as it is established in political systems, does not refer to this type of value; in other words, the systems of representation are not sufficient to ensure participation and reveal their limitations for integrating the prescriptions of “good governance”. Consequently, the UNDP policy document implies envisaging a different model of democracy able to tend towards “good governance” and to include the widest form of

5) UNDP (January 1997). Governance for sustainable human development. New York: UNDP Policy Document

6) This definition is proposed in the following document: UNDP (January 1997). Governance for Sustainable Human Development, New York: UNDP Policy Document, pp. 2-3. It is quoted in Cabannes, Yves (2004). Participatory Budgeting: Conceptual Framework and Analysis of its Contribution to Urban Governance and the Millennium Development Goals. UNDP - UN Habitat. Page 56.

7) Participation is used here in the widest sense: participation of citizens and city-dwellers, civil society and voluntary associations, in decision-making processes.



participation. If the aim is to achieve these various dimensions of representative and participatory governance, it is necessary to change the rules of democracy. This appears to require in practice the adoption of a political system based on participatory democracy. This briefly presented argument is based on a definition that apparently enjoys a consensus within the international community; it is adopted by such international organisations as UN Habitat, the UNDP and the World Bank.

This session of the working group used analyses and observations of practices to show how these practices can initiate new forms of governance and how governance actually operates. Members' remarks went beyond the dichotomy between representative and participatory democracy, and the examples chosen helped to reveal the perspectives underlying governance, those of players involved in practical urban development projects. For that is the point: the examination of practice “below” reveals the establishment of hybrid systems of governance, and the elaboration of institutional arrangements that often diverge from the norms imposed from “above”, and constitute regulatory mechanisms that actually work.

### *Practices that call into question the principles of urban “good governance”*

The analysis of the organisation of urban services concerned with the environment and the involvement of NGOs and civil society in Senegal and Morocco call into question the ways of establishing governance. First, although the concept of governance contains a number of recommendations of universal application, it reveals itself in various ways according to the context (economic, legislative, social, etc.) in different countries; experience of urban governance is multiple and particular, which raises questions about the conditions for its implementation. Furthermore, governance finds ready acceptance among a number of players for whom it provides a “windfall” from the flow of funding for projects. It is not clear that all have the ability to integrate the ground rules laid down by international donors.

The PRUD research into the “borderland between institutional policies and social dynamics in Lebanon, Algeria, Morocco and Mauritania”<sup>8</sup> asked the following question: what happens in urban development or renewal projects that have a serious impact on the local occupancy or mobility of the residents of the districts concerned? What happens between the announcement of the project and its implementation, especially when this period is a long one? The first observation was that systems of informal governance are set up that evade the donors' rules of “good governance”, and that manage the many interactions between the initial decisions taken by the authorities and the work actually done. This may be an opportunity for patronage and corruption. The research also showed that participation is double-edged and that participatory processes change over time: it is crucial to observe the negotiations in order to understand the forms of governance ultimately established. Local people's strategies become more individual than collective over time: the people concerned use various social networks, informal or religious, to defend their personal idea of the project.

Using experience from Morocco and Burkina Faso, where decentralisation is underway, another PRUD research project,<sup>9</sup> analysing the interactions among stakeholders and “people who matter” in district restructuring projects, revealed the difficulty of reconciling participation and the representation of the players actually doing the work. Whether for project governance (Morocco) or the implementation of decentralisation policy (Burkina Faso), the actual systems diverge from the “good governance” that provides for participation, transparency, the rule of law, and their implementation. First, in projects, the established players recognised by the authorities as defending the interests of residents do not appear to be representative of the social fabric. Religious organisations (and some Mafia-type ones) based for many years in some Moroccan districts have more legitimacy in the eyes of the residents than “social”

8) Research by Fran\_oise Navez Bouchanine's team for the PRUD from 2001 to 2004.

9) Research by Aziz Iraki and Mich\_Le Jole's team for the PRUD (The emergence of local players in the professional democratic field: a new situation for mediation and expertise? Morocco, Burkina Faso).

associations created from scratch by the authorities. Second, representative systems do not prevent the use of patronage, especially at election times. Local elected officials present residents' demands to the municipal decision-making bodies in exchange for various perks. Third, the implementation of decentralisation does not necessarily involve the adoption of transparent practices, and the property and financial scandals there have been in Ouagadougou are indicative of the bargaining that goes on between elected officials behind the backs of residents and voluntary associations. Fourth, in some cases, the decentralisation process may unsettle a local social equilibrium by pushing aside traditional leaders and other decision-makers in the name of the legitimacy of new city councillors, although the former remain the reference figures of the community.

Another research project examined the practices of development cooperation programmes.<sup>10</sup> It was observed that the participatory systems of these operations have major induced effects: the political experience acquired in these participatory systems legitimises ways of “manufacturing” decisions. For example, some development programmes that focus on a technical approach to problems contribute to strengthening political practices in which the defence of private interests trumps forum practices. Indeed the mere fact of “participating” in these systems may legitimise in the eyes of the participants decisions taken elsewhere. Developing an experience with democracy (whose preconditions are to be found in various types of forum) requires specific attention that goes beyond the default “politics” that in practice goes with the technical implementation of urban development programmes.

As a counterweight to the above cases, the practice was mentioned of the participatory budget, established with no order “from above” by the city authorities of Porto Alegre (Brazil) in 1989. This system of governance without that name is characterised by a policy of fiscal redistribution on the basis of positive discrimination for disadvantaged groups and districts. It opens up a political space for those who had none before. From Brazil this practice spread within Latin America and then to Europe, and recently to Africa. With hindsight, this dissemination to such varied contexts raises a number of questions: are participatory budgets vectors of participatory democracy or rather the reflection of a lack of participatory democracy, even filling an empty space? Do they encourage a new populism enabling a mayor to establish direct links with citizens without going through representative democracy and the city council? It may be observed that participatory budgets flourish in certain presidential regimes, so there is a problem here. Furthermore, given the large number of examples of participatory budgets, distinctions need to be made. One may analyse them along four dimensions of participatory budget: financial and budgetary; participatory; institutional and legal; and territorial. Is participation direct or is it a democracy representing associations or communities? Is the decision on the budget that will be submitted to the vote of the city council taken by a participatory budget council formed by district general assemblies or by existing participatory structures (voluntary associations, parish councils, etc.) that have taken on new functions? Are the proposals made for the participatory budget deliberative or consultative in nature? If it is ultimately the mayor and the city council who take the decision, then this is a system of representative democracy. At all events, the study of participatory budgets reveals local bargaining and new forms of governance which may be seen optimistically as illustrating genuine citizen involvement, or pessimistically as an instrument for displaying the requirements of “good governance”.

These various examples illustrate two trends: one is that the governance mechanisms as laid down technocratically by international institutions correspond to the implementation of urban policies and projects, with no account taken of the real context (social, economic, cultural, etc.) in which they are introduced. Often, technical issues destabilise the political workings of local and national governments; they are forced to adapt to imported norms poorly understood by most decision-makers in the South. And although governance models laid down from “above” have had mixed success (or even failures that upset

10) Research by Mich\_Le Leclerc Olive's team for the PRUD (Cities: laboratories of democracy? Benin, Mali).

the social and economic equilibria achieved by local and national governments in the South), local arrangements and hybrid systems developed on the basis of specific experience show that governance practices that take account of informal and traditional customs are vectors of effectiveness and efficiency at city level, even if they do not fully comply with international norms.

The session on the theme of participatory / representative democracy identified two key points for understanding the yawning gap between the precepts of “good governance” and the implementation of processes on the ground. First, it is clear that governance as it is laid down is unable to reduce the patronage practices observed locally and nationally. These practices remain a major problem that eludes governance as defined by the donors, whether technically or politically. Second, those who preach “good governance” do not have the wisdom to understand that questions of democracy, whether representative or participatory, are raised and discussed on the ground in the presence of the “people who matter” and representatives of traditional authority. Elected officials are not the only people who affect governance processes. As Jean-Pierre Elong Mbassi points out with respect to the states of sub-Saharan Africa: to establish effective governance processes, “the challenge is to bind the institutional construction of the State to the lives of citizens so that they buy into public institutions despite their strong attachment to the reference models of the traditional system of governance”.<sup>11</sup> This is a question that must be examined first by the players in charge of devising or revising the concept of governance.

The evaluation of governance requires the observation of those urban practices that produce governance. The specific features of governance we reveal call into question the official frameworks of analysis devised in the past.

11) Jean-Pierre Elong Mbassi. “Reconstruction et décentralisation. Pour un système de gouvernance légitime dans les Etats africains”, *États et sociétés fragiles: entre conflits, reconstruction et développement* (eds Jean-Marc Châtaigner and Hervé Magro). Paris: Karthala, 2007.

*Urban governance: democratic issues of the production and management of urban public services in the current phase of increasing involvement by the private sector.*

**Thematic session of 26 January 2007 (chaired by Jean-François Langumier and Claude de Miras)**

As early as the 1980s, following the implementation of the structural adjustment plans required of most countries in the South by the international financial institutions, a trend towards privatising the supply of urban goods and services developed in the cities of these countries.

This development is often presented as purely a form of management but it involves serious political issues that affect urban governance and local democracy. Nevertheless, within cities in the South, some services are still run by a local public sector.

The involvement of the private sector in the production, distribution and management of urban services occurs in various ways and concerns such varied areas as drinking water distribution, waste water treatment, urban public transport and power networks, waste collection, management of facilities such as markets, bus stations or the construction of housing estates or even whole districts. These urban services are not merely technical services, but are the material, daily expression of the desire and ability to live together in a city.

The privatisation of these urban goods and services along free-market lines is justified by the quest for greater effectiveness and efficiency given the observed or supposed dysfunctions in existing local public services (municipally or state-controlled). As a result, there is a tension in cities according to residents' ability to pay for these services and cover the costs. Some city districts and residents operate within the market economy and therefore enjoy these services. Others live on the fringe of, or even outside, the market, and are thus deprived of these services. This is a threat to urban social cohesion, living together and the social link between city-dwellers.

This situation has many consequences for urban governance and local democracy. Should we, as some suggest, wait until all city-dwellers join the market economy and become included residents enjoying the urban networks? This free-market prospect is usually a dead-end at a time when the massive urbanisation occurring in many cities of the South is often the urbanisation of poverty.

Poorer city-dwellers who should be both local citizens and users of urban networks and services, but are excluded by their status as insolvent consumers, have a feeling of not belonging, a lack of trust or even mistrust toward the local public institutions and local authorities. Their ability to exercise local citizenship is devalued.

Local experiments to remedy this socio-political pattern are many and varied from city to city and country to country: cross-subsidies between tariffs (cf. drinking water in South Africa), cooperation between formal private operators and existing informal community arrangements, selective grants for solvency, support from traditional authorities or local or international NGOs supporting the action of the private operators by social engineering. Consequently, it is important to clarify the attitude and role of these various players with respect to urban governance and local democracy.

The private operators of these urban services may be national operators or international companies, commissioned by the local authorities who delegate public services or sign public-private partnerships, for example. In the usual case, a contractual relationship is established between an urban local public authority and a company for a long period calculated by the size of the investment to be made by the company, the pay-back period under the tariffs agreed with the public authority and the volume of the market of solvent consumers of the service, to which are added operating costs and the margin targeted by the company. Clauses for periodical re-examination are often added to the contract to allow for contingencies. This is a simplified summary of the concession mechanism. Other financial arrangements

exist, such as farming out. In these arrangements, the public authority determines the nature, scope and quality of the urban services the private operator is to supply as part of a public service mission. The theoretical model is a clear one: the public player states the policy and the private player implements it.

In fact, these managerial and technical systems are not politically neutral with respect to urban governance. The initial contract, which assumes a relationship between two equal parties, in fact concerns an urban public authority and an industrial and commercial enterprise that are often of unequal size and competence in an asymmetrical relationship. The private company's standards of technical, financial and commercial know-how are imposed on the urban public authority. And because of the length of operation of the technical service by an operator, the public authority's capacity of expertise, and therefore of control, is further weakened. Consequently, the outsourcing of a number of urban services to private entities tends to shift the centres of initiative, oversight and power away from the urban public authority.

However, where the quality or price of these urban services are no longer accepted by residents because of deterioration or unaffordability, the question rapidly becomes a major political problem, at precisely the time when the local public authority has become largely dependent on the operators. The unsatisfied user or consumer becomes a protesting citizen, speaking up in the street or on the local political stage. When it comes to urban public services, the city-dweller has two faces like Janus: a consumer, when the system works properly, and a citizen when it works less well. But current institutional structures binding public and private players are often fragile, if the initial agreement is no longer approved by city-dwellers who have no one to appeal to.

This sort of situation is also explained by the procedures linking the private sector to the local public authority. The agreement between the two parties is hardly ever the subject of local democratic debate before the project is implemented. Some clauses remain confidential under financial law, kept away and "protected" from consultation and public forums.

One of the major tools of any urban public policy is the organisation of cross-subsidies, usually via local taxes, whereby well-off taxpayers assume the costs paid partially or not at all by poorer city-dwellers. The privatisation of urban public services tends to restrict or abolish this mechanism, although private operators may, in their field of operations, include it to some extent in their contracts if the public authority requires it in the tender specifications. But this is rarely made public and even more rarely democratically discussed. One of the purposes of local democratic debate disappears in these cases, an important one since it concerns the effective implementation of the principle of urban solidarity between social groups and separate urban territories. In practice it is the private operator who marks out the areas of solidarity within the city, according to the potential of a particular sectoral market.

These analyses of the participation of the private sector in the management of urban public services reveal the problems and limitations of the procedures that have so far been adopted, weakening urban public institutions and the scope of local democratic debate. This may totally transform or reverse the roles of urban players. Who steers day-to-day and long-term urban development: local public authorities or the private operators of these services? Is this the contemporary shape of free-market urban governance? What content remains for local democracy? Can an urban civil society be reduced to the sum of market segments, from which other, poorer, city-dwellers are excluded? Are there any mechanisms of urban regulation, and who uses them? On what territorial level? These questions require the invention of other arrangements between public institutions and the private sector that are more flexible and adapted to the various urban patterns, territorial and socio-economic, cultural and political, to be found in the cities of the South.

The major private operators also have higher operating costs compared with average urban living standards and this affects the tariffs applied. Adaptation to local conditions may then involve cooperation with agents from the traditional sector: standpipe managers, water carriers, for example (Morocco). In this type of arrangement the private operator needs a local compromise with the existing self-employed community in order to be better accepted socially in time and to extend the supply of services, by not applying its own managerial standards (cf. Morocco).

Furthermore, the various urban services require investment of various amounts, and variable partnerships: water distribution, waste collection, and transport. These adaptations can be seen in the explicit or tacit relations between urban public institutions and the self-employed or community sector known as “informal”, in a large number of cities and various fields such as urban transport systems and water. The players involved are highly varied: individuals, voluntary associations, communities, micro-enterprises, gangs and mafia. The standard and price of services varies in these cases according to local power relations between service users and providers, or the extent of corruption. Where there is competition between players in the same sector, it is pushed to extremes: private buses not stopping at regular stops if there are too few customers who want to get on or off, accidents due to speeding, vehicle wear and tear, etc. The supervisory and control authorities are weak or non-existent, and have difficulty in collecting the fees set. The management of local market-places is of particular importance because of the tax revenue which is often the local public authority's main or sole source of income.

The case of market-places in Madagascar is an instructive one, because formal and informal commercial activity tends to spread well beyond the areas officially marked out in the country's cities, causing a variety of tensions: official vendors versus “marginal” vendors, rural vendors versus urban retailers, and market agents against city councils who lay down standards for use, hygiene and regular fees that are often not applied. However, it does appear that the restructuring of Anosibe market in Antananarivo that the city council has undertaken in a participatory process with users has reduced the conflicts. This is an example of a management operation to regulate an initial free-for-all by an urban public institution subject to political election. It may be an example illustrating democratic governance that fully includes a political dimension, evidence of elected officials' ability to act, direct and present a project for a social entity.

After the failure of water management in Buenos Aires,<sup>12</sup> the major French private operators appear to be more reluctant to enter these markets in cities of the South. It would be useful to examine their recent experience with respect to urban governance to define and promote new norms for local installation that are more transparent, more democratic and more open to the interaction between their action and the two dimensions of city-dwellers (consumers and citizens), often in relations with the self-employed sector. This sort of approach would make it possible to exercise a more democratic governance, particularly if at the same time attempts were made to strengthen urban public institutions: their technical capacity and also their capacity to regulate the purposes of the major private operators of urban public services.

As for the informal economy that supplies urban services, the principles adopted in Antananarivo are worth adopting to improve the management of urban facilities that need to be undisturbed: bus stations, market-places, urban transport, etc.

12) In 1993, the 10-million-strong city's universal water concession was granted to a Suez subsidiary, but rapidly encountered major difficulties due to the strong antagonism between a rich capital, already provided with drinking water, that refused solidarity, and a poor periphery unable to afford the connection costs. Once the Argentine peso was sharply devalued during the 2002 financial crisis, the operator was poorly placed to repay a debt contracted when the peso was at parity with the dollar. Contract renegotiation failed, and the Kirchner government, elected on an anti-free-market platform, suddenly terminated the contract with Suez in 2006, to create a new company with public capital.

## *Decentralisation and local government; the territorial legitimacy of urban development*

**Thematic session of 27 April 2007 (chaired by Alain Dubresson and Emile Le Bris)**

Thanks in part to the PRUD, we have a large number of studies concerning the processes of collective action, urban public spaces and their social uses, forums of local democracy and public-private partnerships. Spatial engineering, on the other hand, is relatively under-represented. And yet, in various political and cultural contexts, forms of collective action depend on the creation of ad hoc spaces intended to mark out the perimeter of that action.

The decentralisation process has been accompanied by the definition of the territorial jurisdiction of public action. There are many types of “perimeter” that are just as legitimate and also coincide with governance. The sub-local level is recognised as the right level for participatory democracy to flourish, and effectiveness is sought by territorialising public policies. At the same time, demarcation is perceived by private individuals as a contemporary way of handling the growing diversity of urban societies (gated communities, gang turfs). Some research reveals the appearance of a variety of managerial arrangements (similar to spatial arrangements). They may be spatially coordinated or totally fragmented and independent. This research addresses not so much governance as government, namely the capacity of local public authorities to influence overall regulation and structure the field of action of other players.

As far as Africa is concerned, one must consider its long history during which power over human beings was more important than power over territory. The contemporary action to construct territorial authorities is in many cases a novelty that communities find hard to accept. They display genuine distrust of the political exploitation of the multiple demarcations this construction may involve. In Iran in 1999, for example, city and village councils were set up elected by universal suffrage. These local councils are the “administrative and decision-making organs of the State”. The aim was to have citizens participate in the management of municipal projects, locally manage specific neighbourhood issues and create a channel of information between city halls and citizens. Are these decentralised institutions or institutions of control? This question posed in Teheran could also be posed in Venezuela, where no fewer than 30,000 “communal councils” have been set up.

The persistent uncertainty about the definition of the concept of territory makes it important to distinguish between the spatialisation of a social phenomenon, which keeps open the possibility of the unity of the phenomenon, and the process of territorialisation, which leads to fragmentation and competition between spaces. But what is territorialisation? Is it territorial daily life? Bottom-up territorial constructions emerging from local arrangements? Does it not refer to the practices and use of inhabited space that do not necessarily involve the concept of territory? Or is it the humanitarian territories that insert themselves between territorialisation and the use of space? Is it the control of the land and the land rent, narrowly associated with the territorial arguments of urban government?

The latter aspect is illustrated by land management at local level in Greater Accra. In Ghana, the 1992 Constitution provides for two levels of administration: traditional and political. The “local” level is consequently presented in two ways in urban government and at national level:

- As the embodiment of legitimacies formerly involved in the market use of land and the conversion of land rents into communities of entrepreneurship of varying degrees of effectiveness in lobbying Ghanaian political forums;
- As proof given to national good governance and international donors of a decentralisation that has been fairly conscientiously carried out since the late 1980s and parliamentary experience with its financial arrangements (“Common Fund” redistributed from the State budget to districts that have local development “projects”).

In practice, the control of land by “traditional” players refers to a territorialised legitimacy with encroachments. Customary practices quite legally dominate the land market and restrict the capital's residential supply. But their apparent unity is soon fragmented in a host of overlapping interests and authorities that are conventionally recorded (and regularly torn apart) with the recognition of laws dating back to the colonial period. Greater Accra alone is a summary of the complexities of competing land delegations created by pre-colonial and contemporary history. Not least, it is the political economy of endless legal disputes on the basis of individualised land deals that challenges the territorial basis of community land tenure.

These forms of community land management interact with the overall necessities of public development, and particularly with the redistribution to the city's outlying areas of public facilities intended for supra-community needs. The heavy cost of poor relations between the customary authorities and the national public authorities (based on the centralised push for independence and poorly compensated land requisition) continues to influence the relations between “districts” and “indigenous communities”, even as metropolisation and decentralisation advance after much institutional turbulence. The escalation of claims and stonewalling that interfere with wastewater treatment, for example, and with attempts by new local authorities to strengthen their administrative capacities, are illustrated by a search for new turf not by individuals but by urban governance itself. In the end, the performance of the property market, controlled by purely traditional forces, varies according to the free-market and democratic pressures that bear upon the management of the city in Ghana as elsewhere.

The virtues of the local level popularised by international donors are also called into question by the situation in Nigeria. Decentralisation was supposed to introduce democracy to local level and give an impetus to grassroots-based economic development by enlisting the participation of local people and communities. However, the main paradigms of the 1990s decentralisation process (participation, social capital, civil society) deliberately depoliticised and dehistoricised the local political scene. The capacity of local solidarities to prevail against power relations with the State has often been overestimated. This discourse about the local level as a vector of democracy, participation and development comes up in Nigeria against two major historical trends: the lack of political autonomy for local government, and the fact that local government is perceived primarily as political rent-seeking.

Decentralisation, understood as a transfer of responsibilities, human and financial resources and competencies from central government to democratically elected lower levels, is a historical process that has advanced very unevenly in the countries of the South: it is weak and recent in sub-Saharan Africa. This relative weakness of cities' political autonomy is probably linked in part to the history of States in Africa: no autonomy of cities with respect to the pre-colonial state entities, greater centralisation of the state under colonialism, highly variable autonomy since the 1950s.

Local government reform in Nigeria in 1976 promoted local government as the third arm of government and planned to provide it with genuine tax and policy autonomy. The rapid creation of local governments (from 170 in 1976 to 774 since 1999) corresponded to the years of dictatorship and may be seen as a way of providing local popularity for governments that were unpopular nationally, and also to create and maintain local political beneficiaries of patronage. The return to civilian rule did not basically change the system. The government party in Lagos and the presidential party both consider local governments to be a local rent that must not be ceded to one's adversaries. Far from promoting local development, local government is an integral part of a Nigerian political system characterised by the importance of “big men” at local level, systematic use of political violence and the corruption of the elected officials in power and other major players in political life.

The example of market-places is an instructive one. Markets have been taxed more heavily by local government over the last thirty years, while the services rendered are less than before. These local governments have abdicated their responsibilities as developers and managers to retain only the function



of tax collector. Markets are mainly territorial enclaves within the city, managed either by communities (the city's customary authorities) or by a host of private players and organisations that are unable to regulate any issues that transcend their micro-local approach. The overall disorganisation of public places and services in Nigerian metropolises appears to be less an absence of the State, which in some field remains all-powerful, than an absence of regulation between a host of public and private players. A similar conclusion may be reached in the case of bus stations, whose management was given to the National Union of Road Transport Workers in the early 1980s: local government is probably the least relevant level for local urban development in Nigeria because these local governments are collective players that mainly depend on more powerful ones. At the same time local government is deeply unpopular (although it has been given a new democratic legitimacy since 1999) and a massive long-standing demand for local governments.

The political nature of local governments is also called into question in the case of Cape Town's City Improvement Districts (CIDs). In South Africa, seen as the most advanced case of decentralisation in sub-Saharan Africa, decentralisation at national level has been accompanied by recentralisation at local level: in the present metropolitan area of Cape Town, the sixty-odd management entities of the apartheid era have been reduced to one since 2000. The CIDs are subject to localised governance under public control. The conditions of their creation and operation are defined by municipal bylaws that specify procedures and the reciprocal rights and duties of public and private partners. The aim of these negotiated procedures is to demarcate an area of urbanised land in order to improve the standard of services, mainly security, waste collection, and marketing, with occasionally a social dimension. The purpose is thus not to replace municipal services but to add new services, with a contract of agreed objectives for standards, funded by an extra tax paid by all property-owners. The existence of CIDs causes an unequal and unjust increase in security.

Why do people use this type of instrument? For private business people, the point is to raise the level of security where there is abundant crime and improve waste collection in order to make companies more productive and the defined area more attractive. There are very few CIDs in new outlying areas, where private promoters take care of the security issue by offering mixed enclosed estates including business parks with controlled entry. In the city centre, however, and in former industrial areas, a large number of CIDs have been formed, either as defensive strategies against economic decline and urban deterioration (Community Business Districts), or as offensive strategies to accompany growth by accelerating it. The CID is also an instrument of direct discussion with the municipality, a forum that expresses the "voice of private firms" more effectively than the Chamber of Commerce and Industry or other traditional forums. It is instructive to note how this instrument has been used in the public arena at each stage of institutional metropolitanisation. Whatever the coalition in power, purely residential CIDs have not been allowed in order not to encourage secessionist withdrawal, but industrial or mixed CIDs have all been supported by the various municipalities who see them as a practical way of increasing Cape Town's attractiveness and positioning the city in national and international competition.

What lessons can be drawn in terms of governability and government in the metropolis? The reason the CIDs have indisputably improved the production of collective goods is that they are not "territories" but hybrid spatial entities, similar to the new communal spaces, as some authors call the BIDs (Business Improvement Districts) in the United States. They have also improved relations between private firms and the municipality and certainly raised the productivity of the city-region's economic fabric. But can a collection of localised governances make an overall policy, when urban government is faced with the following alternative: either a society based on contract and permanent negotiation between asymmetrical players under considerable influence from market forces, or a politically constituted society in which elected public officials exercise strong regulatory power? For the moment, the regulation of CIDs in Cape Town remains public and the change in the level of governance in this particular case has not been accompanied by a change in the level of regulation. Since the municipality merely approves or rejects demarcation proposals made by the private sector, the CIDs have accentuated the concentration of private investment in already favoured areas and strengthened the social division of space inherited from

apartheid. Are they the shape of entrepreneurial town planning, and are we moving towards a binary urban management system with, on the one side, spaces of the global economy partly managed by the CIDs, and on the other, spaces of poverty looked after by the public sector and community organisations?

Analysis of forms of governance in the urbanising rural areas of the Red River Delta of Vietnam is similar to the preceding ones. How can administrative or voluntary entities be set up capable of supporting the development of the localised production systems that are the clusters of handicraft villages, usually extending across administrative municipal boundaries? Since the opening-up of the economy in the late 1980s, the most successful enterprises have sought to extend their productive capacities, mechanise their production systems and diversify their businesses. However, they have come up against the problems inherent in their location in densely populated residential villages and the traditional farming basis of the economy. Production and residential spaces cannot be reorganised without an overhaul of forms of local governance, where local authorities have had few prerogatives and technical, human and financial resources. The management of water, energy, traffic and property services is generally the task of the district or state-run companies.

Compared with the initial hypotheses made, the case studies presented made the following advances:

- Examining territory is a Pandora's box. Territory can be considered politically as a portion of space demarcated after a process of territorialisation for the control of goods and persons. This approach draws analogy between territory and power. Territory can also be examined from the point of view of a feeling of belonging, of identity and representation. And it can also be addressed from the economic angle. At all events, a distinction is made between the territorialisation aspect of public policy and the governability of space. Consequently, it is not easy to address our topics using this concept.

- It is also important to distinguish between urban governance and spatial governability. Forms of governance-like collective action may be observed that make the city more governable because they ensure, for example, peace. Conversely, governance can be paralysing in its effect. The content of Foucault's "governmentality"<sup>13</sup> comes close to that of governance as a process of negotiation and attempted coordination, obviously including confrontation between protagonists of unequal power. This process is to be distinguished from the governability of an urban system as a state at a point in time. This state is both social (one moment in the power relations between the groups of players involved) and material (for example, the state of infrastructure and facilities), and is the result of a combination that enables, hinders or prevents public or collective action for improvement.

- Is the public-private duality a total dead-end that collapses in the areas under study? In place of this ultimately sterile duality, speakers recalled that in the area of collective goods and public services, it is important to examine policies taking account of equity in access to these collective goods, and the attempts at social regulation made in various places when implementing these policies.

- Is it not counter-productive to frantically seek territorial engineering, which may be exploited from the outset or imposed from above? One is tempted to agree with Pierre Calame when he says that "territory alone cannot be a basis for considering and transforming the world".

13) Michel Foucault defined governmentality as "the ensemble formed by the institutions, procedures, analyses, and reflections, the calculations and tactics that allow the exercise of this very specific albeit complex form of power, which has as its target a population; as its principal form of knowledge, political economy; and as its essential technical means, apparatuses of security". (Security, Territory, Population, London: Palgrave Macmillan, 2007).

## *Metropolisation and urban transition, with a special reference to South-East Asia*

**Thematic session of 1 June 2007 (chaired by Charles Goldblum)**

The current convergence between accelerated urbanisation and internationalisation of urban production in the former command economies of South-East Asia as a result of their integration in the global market economy pushes cities, especially capitals and major conurbations, to the limits of their physical capacities and also their political and administrative frameworks and reference systems for management.

Examination of these situations is of particular interest, since here questions of urban governance are closely linked to the arrival of international development players in urban areas, both in terms of the conditions of urban production (more complex purposes and players) and of concepts and ideas for urban management (urban development models, place of cities in development).

Taking the examples of the two major cities of Vietnam, Hanoi and Ho Chi Minh City, and the capital of Laos, Vientiane, this overview seeks to inform the question of urban governance, the purposes and issues behind it, in contexts where there is a major external contribution (in the form of official development aid, for example) to the adaptation of these cities to international standards and the requirements of metropolisation.<sup>14</sup>

**One major point of entry is in the sector of infrastructure** (basic and major networks), which is clearly a crucial issue in urbanisation, in the sense of upgrading urbanised areas and urban extensions. In the special conditions of monsoon Asia there are even closer links between transport, drinking water, drainage and wastewater management networks and the production of urban land. Infrastructure also has the particular characteristic of being a key sector at national level for international development cooperation in the form of official development assistance in both Vietnam and Laos. It plays an essential part in bringing to the field of land-use planning (especially urban) a project-centred segmented manner of thinking conditioned by the sources of funding that determine new ways of managing and implementing urban action.

In addition to the questions of coordinating action and ranking priorities that this greater complexity of players involves in land-use planning, our discussions have brought to light certain specific arrangements for implementing ODA projects that reveal the problems raised by integrating external ways of thinking into these cities.

Also to be considered are the forms of intermediation that accompanied the execution of infrastructure projects by Vietnamese companies; Project Management Units are designed as ad hoc bodies acting as interfaces between the donor or donors (who usually choose the project leader) and the clients (ministries or local authorities where they exist) on the one hand and the companies on the other.

In Vietnam, the institutional creation of contractual arrangements for delegation and intermediation is to be related to the existence (and importance) of organisations structured by “democratic centralism” (party apparatus, political, administrative and territorial structures, productive fabric and mass-organisation control of society) and also the permanence of village community structures that are controlled but strongly embedded in the social system.

“Outsourcing” and project thinking (particularly for urban mega-projects such as new towns and major infrastructure), together with these local-level characteristics, raise the question of city-dwellers’

14) N.B. This summary presentation deals with themes and how they are linked: it differs, therefore, from the order of presentation used in session discussions. It examines first the various contractual forms for the delegation of ownership to foreign companies (concessions, build-operate-transfer/BOT, joint ventures, all part of the internationalisation of urban production), which appear to be ways of ignoring the internal tensions and turf wars between the various powerful factions that may be aroused by projects and their technical and financial implications.

involvement in the projects. However, before addressing the approach to urban governance from the grassroots perspective of players and their influential organisations, we first describe the urban development cooperation actions currently undertaken in the capital of Laos, directly relevant to institutional production.

**The second point of entry is the urban institutional framework**, with the creation of the Vientiane Urban Development and Administrative Authority (VUDAA), the forerunner, in the minds of its promoters, the international donors, of a Greater Vientiane municipality (extending the capital's administrative boundaries, for this purpose, from 100 to 189 villages). It is as if in the absence of proper local or national structures of urban production and management, the donors could not be satisfied with a simple planning framework (the Vientiane Integrated Urban Development Project/VIUDP) but had to demand, even in the usual shape of a project, an urban development and governance system as an institutional partner able to ensure the coherence and effectiveness of technical urban operations, whether sectoral or overall, since there was no elected local authority.

The difficulties encountered by the VUDAA reveal the complexity of the interface function designed by the centralised political apparatus as an acceptable partner for international donors in order to receive their funding, although it is increasingly explicitly seen by international development officials not merely as a way of executing projects but as creating a process to shift urban management along the path to democratic effectiveness.

In terms of institutional concepts and procedures, the question of how improvement decisions are made raises the question of local areas and residents (city-dwellers, citizens), a particularly sensitive issue at a time of land-use map revision, including land status (urban, commercial), population movements and new rules for locating businesses.

Our **third point of entry** found in all three cities, if only by default, **concerns the local level - organised residents, basic communities** - given that the question of residents' views and participation in implementing projects has been generally designed for matters of basic infrastructure and the environment.

Since the reform and opening of the Vietnamese economy in the late 1980s, and the associated launch of major donor-funded projects, the local population, apart from individual building initiatives or land speculation, has mainly been concerned by projects (joint ventures or assisted projects) as land-occupying players, to be evicted and therefore compensated or rehoused, individually or collectively, and also to some extent as political players in an uneven position of power for decision making or bargaining.

In Vietnam's current urbanisation movement, new demands are arising that upset the old forms of expression and procedures of social regulation, redefining the question of power and its relations outside the mass organisations system.

These are demands for basic infrastructure in line with new standards for urban operations (rehousing when people or businesses are moved; mobility as housing and work move apart, and urban expansion), and also a response to the impact of industrial and urban improvement projects on neighbouring areas and their environment. Researchers observe that although political and administrative control bodies in Vietnam are not very effective in this area, traditional grassroots communities and even mass organisations find in the concern for physical environment a new area for making demands that is not ideologically marked, and consequently a new autonomy of speech as environmental problems mount up and urban problems in general are included.

These are trends that need to be considered in addressing the meta-institutional aspects of urban governance, since the participatory perspective their promoters adopt presupposes not only a negotiation framework but also a civil society with the resources to be able to negotiate (information, expertise, freedom of speech). In this respect, the existence of locally-grounded village community structures is clearly an important factor, but what happens when these are challenged by the same urbanisation and project thinking?

Here we enter the complex political field of vision on common good, in which two concepts appear as conflicting: the long-term general interest (or claimed as such, when considering the evictions from substandard dwelling areas on the pretext of improving the environment); local interests, supposed to express the views of the inhabitants, (including those expressed by upwardly mobile classes who tend to approve the model of gated communities).

How are choices to be made between basic infrastructure and major networks, how are they linked and addressed? Does the nature of the contracts involve a power of negotiation or decision for the residents concerned?

These questions coincide with the distinction that emerges in urban development cooperation between two types of urban governance. One type seeks to impose itself *from above* via contractual forms of delegation and institutional forms of intermediation, to the advantage of (mega-) projects and dependence on international aid. The other arises *from below* and is based on local systems of regulation and the emergence of an embryonic civil society, encouraging the expression of demands (compensation, environment) and the involvement of grassroots community organisations in local development (micro-) projects.

Whatever position is taken up here and however consultation for projects is envisaged, the project perspective in practice gains the upper hand, imposing forms of intermediation that may be less artificial than many development plans, but whose impact on democratisation is less than clear.

Discussions in this session mainly covered the implications and effects of the changes observed in the perception of urban governance, with two implicit viewpoints:

- one considers governance (good or bad, effective or ineffective) as a given fact in structured societies, especially urban ones;
- the other presents urban governance, and governance itself in general, as a concept linked to internationalisation and mainly advanced (which is not necessarily to be deprecated) by international aid and development organisations.

Although we have considered urban governance as a process, with many of the general features of transition, we should not elude the question of time-scale, if only the two sorts mentioned above: the time-scale of projects and the time-scale of institutions.

Urban projects undertaken under the conditions of urban development cooperation and receiving official development assistance are executed to a time limit. This principle is indeed one of the evaluation criteria and is inherent in the project perspective itself. But how is compatibility to be ensured with the creation of urban governance systems that will last and even change after the project ends, moving particularly towards “democratic governance”? This is another way of addressing the question of sustainable urban development.

As for the institutions that are vectors of or in charge of urban governance, no examination of their initial forms, which in Vietnam date from *doi moi*,<sup>15</sup> can avoid the question of the specific nature of the period of their creation when a new order (here an urban one) was installed, and with it the question of its founding violence, and its destructuring violence (compulsory displacement, abandonment of activities, exposure to industrial pollution). What is the right place for international development cooperation in the urban aspects of transition, particularly during these initial periods? Can the question of city government be reduced to project governance during this phase? These, it seems to us, are the questions revealed by metropolisation trends in urban transition that this session implicitly considered.

15) The period of economic reform and opening up.

## *Urban dissidence and secession*

**Thematic session of 22 June 2007 (chaired by Annik Osmont and Emile Le Bris)**

This theme was chosen for debate by the working group because empirical observations, in the PRUD and elsewhere, reveal two apparently different trends that both illustrate the inability or refusal of some city-dwellers to comply with the commonly accepted urban order. There are those who do not enter the process of integration into the so-called modern city and choose alternative paths, usually in trade or transport, and jobs in the so-called informal sector, occupying city centres and central markets. And there are those who flee from the places of worst urban disorder that inspire a fear of the city and move to outlying districts and private towns. Local authorities are helpless in the face of a phenomenon they cannot really control and cannot really recognise, and which has been relatively neglected by research.

These observations require a reinterpretation of certain analyses proposed by international bodies. For development aid agencies, whether international, regional or bilateral, there are two categories of city-dweller: the “included” and the “excluded”. In considering development policies, one may hypothesise that the “inclusion/exclusion” duo have been the priority explanatory categories of development since the publication of the Millennium Development Goals and have led to prescriptive recommendations in operational terms. All the so-called poverty reduction policies, especially for cities, are presented as combating exclusion and favouring inclusion.

Despite the forecasts, the number of poor people in cities has risen and the informal economy has expanded. Although one may accept that one of the major objectives of urban governance is to create urban order, one must examine why part, probably the larger part, of the urban population evades the compliance with urban order recommended by urban governance. This governance may have the effect of exclusion, only integrating those who can be integrated.

These observations prompted us to focus on the practices of these city-dwellers who do not fit into the norms of inclusion or refuse the norms of integration, and are in a state of urban dissidence or secession.

### *Questions of urban dissidence*

At a first approximation, one may define urban dissidence<sup>16</sup> as a set of collective practices by city-dwellers generally belonging to unofficially structured networks, organised on the basis of an extended family, territorial proximity or religion, or all three. This is currently the most common form of urban dissidence but also the least understood by urban policy-makers.

Examining dissidence means proposing an analytical approach that differs from those Latin American sociologists, beginning with Anibal Quijano<sup>17</sup> in the 1960s, who speak of marginality as an involuntary phenomenon of urban poverty produced by the peripheral development of Western capitalism. These situations are presented as irreversible unless authoritarian or persuasive methods of social inclusion are applied. Marginal groups are reduced to survival tactics with varying degrees of support from fragile internal bonds of solidarity. Some researchers see in this urban marginality a culture of poverty. In fact dissidence is anything but an involuntary phenomenon: it is a social and economic dynamic, avoiding exclusion as such, that is a form of integration into the city. Market share belongs to the formal economy and urban consumers, and some capital goods come from the modern sector. Network members have land-tenure and residential strategies that can be highly proactive and effective; they have their services,

16) Merriam-Webster's Collegiate Dictionary defines dissident as “disagreeing, especially with an established religious or political system, organisation or belief”.

17) Cf. Anibal Quijano, *Imperialismo y “marginalidad” en America latina*, Buenos Aires: Mosca Azul editores, 1967; Didier Fassin, “Exclusion, underclass, marginalidad”, *Revue française de sociologie*, XXXVII, 1996, pp. 37-75.

informal banks, travel agencies, web-based internal transaction systems, rules of social control, almost initiatory forms of education and socialisation for young people, etc.<sup>18</sup>

Dissident practices also have their own way of projecting themselves into urban space. By occupying central areas in major cities (as in Johannesburg) to engage in trading, and also by adopting affinity-based housing strategies<sup>19</sup> within the city but more often on the outskirts.

Although the activities of the trade sector still described, inaccurately, as informal employ the largest group of urban dissidents, the activities of the self-employed sector of urban (and interurban) transport represent a similar process. The distinction and borderlines between formal and informal activities are often fuzzy, since many public servants also work in the informal economy.

These various activities, although dissident, provide a certain contribution, considerable in some countries, to national wealth creation. This disproves the idea that social inclusion presupposes agreement with a unified homogenous social contract, since it is none of these things, and that urban inclusion presupposes a homogenous urban society, since it is not.

### *Spatial secession*

The gated community phenomenon has been known for some years, first in developed countries (ten million residents in the United States) and some Latin American countries (Argentina, Brazil). It is now growing in developing countries, particularly in Africa, and not only the emerging ones.

These “ghettos” challenge the homogeneity of inhabited territory and endanger territorial coherence. They also call into question the inclusive model of urban development, based on mobility and social mix. The dominant attitude is that each person seeks to escape from the economic, security and educational drawbacks that come from living close to those who do not have the same advantages as oneself. This type of city, described as emergent by some observers (Jacques Donzelot) is a chosen city that deterritorialises social relations and reveals a new type of peri-urbanisation. On the one hand, there is the development of a culture of autonomy, a narrow-minded sociability that is the opposite of the social contract. On the other, there is a pick-and-choose city where narrow-minded sociability is counterbalanced by mobility (movement by rich, poor, included, excluded across the whole city).

In Latin America, researchers have focused since the 1990s on the private cities marketed by property developers. These clearly mimic the North American model, but they have been adapted to the specific features of South American countries. In some cases (Buenos Aires), this real estate product has been widely sold, not only to the upper classes but also to satisfy demand from less wealthy classes.<sup>20</sup> Urban extension by building estates has enabled developers to buy up land in the outskirts and divide it for sale as the occasion arises. These cities are usually surrounded by walls intended, no doubt, to signal the private nature of the area. More broadly, this is the dissident display of a desire for autonomy and distinction (as Bourdieu uses the word) that goes beyond the often-stated concern to avoid crime.

This brief view of an area relatively neglected by research, although the examples are increasing, shows the challenge to the capacity of urban governance to provide responses equal to the phenomenon.

18) Cf. Alain Tarrus, particularly in his excellent feature article in *Alternatives Economiques* (n° 207, Jul-Aug 2003, pp. 38-54) entitled “The smugglers of globalisation”, which begins as follows, “Alongside the great trade flows of globalisation and outside the norms of international regulatory bodies, there is developing a bottom-up globalisation that disdains customs barriers. Operated by new nomads, it maintains ambiguous relations with the political authorities and the multinationals”.

19) Such as “Little Senegal”, a district in Brooklyn occupied by groups of traders closely linked to groups in Senegal, dominated by brotherhoods, especially the Mourides.

20) In Buenos Aires, the proliferation of this type of city is made possible by the availability of land: urban extension by building estates has enabled developers to buy a large amount of land in the outskirts and divide it up for sale as the opportunity occasion, particularly during the peso-dollar convertibility period from 1991 to 2001.

### *Questions posed for urban governance*

Whether dissidence or secession, the practical situations are more complex than implied by a dichotomous, fragmented vision of the city, divided into included and excluded.

The residential distancing involved in urban secession is accompanied by the tendency of particular areas to organise the urban mix in their own manner. One may live in a gilded ghetto but work, shop and dine in areas that display a social mix. Economically, the more the territories within the city specialise (logistics, research, etc.), the more their functional interdependence contributes to urban unity. There is indeed an urban fragmentation and a spatial segregation, but there is no strict dualism. Residential distancing does not involve an institutional distancing from the city. It may be visible in a walled city, but it is not a deliberate act against the city as a whole.

With social dissidence, there is a much clearer institutional distancing. Just as there is a recognised relationship between inclusion and citizenship, so one must observe a relationship between dissidence and civic disaffiliation, as seen, for example, in Senegalese trader networks. But their main aim is not residential distancing: their behaviour displays both the desire to occupy central urban areas (as in Dakar) and central metropolitan ones (as in Milan, Paris, New York) for business and residential strategies that are often on the outskirts. Their residential strategy differs from their economic strategy: the two do not have the same purposes.

The real feature of dissidence is not the desire to cut loose and separate oneself: often private players (dissidents and secessionists) and public players find grounds for negotiation to attempt to settle problems of urban services (transport, water, waste water treatment, healthcare and education) in separate residential districts, or to impose a spatial and fiscal order on the operations of the informal economy. Similarly, various spaces in the urban area are crossed by flows of people: there is always a relationship between the wealthy “ghettos” and the city centre, and city-dwellers go there for administrative and leisure activities. The city is fragmented and the use made of this depends not only on residents' social status but also on the vision city-dwellers have of the urban contract. If the question for urban governance is posed solely in terms of exclusion in a fragmented city, it is hardly surprising that a major section of the urban social system evades the regulation desired.

Another important question is uncertainty and the discrepancies or contradictions between (public) urban policy and mechanisms of urban governance: this concerns policies to win back city centres by working on public areas, policies accompanied by privatisation (property operations and gentrification). While the outskirts fill up with private cities, secure and inward-looking, new property trends appear with high-rise blocks not necessarily intended by municipalities' development strategies. There is a confusion of discourse and policy: this directly concerns the question of governance. Even seen as a process, governance appears to find it hard to reach the degree of consistency required in governing a city, since actors' purposes, and behaviour, differ so much, although they all have their importance for urban development. The virtues of regulation and promotion of local democracies ascribed to urban governance find their limits in the distancing of many city-dwellers from the urban order, which is theoretically supposed to be based on consensus.

Consequently, if the purpose is indeed urban development and if the point at issue is the city's ability to form a society when it is generating an uncivil society, then the key question is whether what appears to be a failure of governance systems for urban inclusion is due to design faults, or whether if we are faced with the failure of the urban development model current in international bodies that underlies these systems.





*Chapter 2*  
*Rethinking urban governance:  
a cross-cutting examination.*



Concern has often been expressed at the sectoral or even sub-sectoral nature of research on cities, which makes it hard to discern the challenges and objectives of their development. Urban management and policy also suffer from this sectoral approach. Urban governance, as a conceptual strategy and action within the city, forces us to examine the city as a whole, even when examining project governance. At all events, governance involves the action of a large number of players and management systems.

In Chapter 1 we opted for thematic analysis for methodological reasons, because the working group's examination of urban governance is related to the observation of practices, and the thematic approach highlights the main fields of action of urban governance and suggests what fields are missing. This chapter is an examination that cuts across the themes and focuses on the major ideas and questions that emerge from the thematic analysis.

Although urban governance as a conceptual strategy dates from the early 1990s, it existed as practice on the ground and policy for intervention (related to urban policies) before it received that name. Without going back too far, we may say that the structural adjustment programmes of the early 1980s quickly set up municipal development projects (structuring or restructuring of municipalities' technical and financial departments with a view to raising more local funds) and decentralisation programmes that recommended privatisation of urban services. Shortly afterwards, the AGETIPs (public interest works agencies), operating mainly in cities, were a foretaste of the concerns and systems for the social management of adjustment, entering into the field of social regulation. This anticipated the World Bank's formulation of governance strategy in 1991.

These systems, which, as we know, were introduced from above and outside (international development cooperation), are also operational models foreign to national political and cultural systems and largely enforced by strict conditionalities (free-market dictates, as some working group members put it).

However, our purpose here is not to engage in a retrospective analysis (which remains to be done) of this history, but to understand what is happening in the current field of governance, with reference to the main stages that have constructed its underlying logic. This means understanding how urban governance is devised in practice, in two areas affecting forms of action in cities of the South: first, urban policies in both formulation and execution, particularly the competencies devolved to local authorities to manage urban services (transport, waste disposal, drinking water, land management, etc.) and their relations with the private sector; and second, how the examples shared, supported by project analysis, provide a pragmatic approach to urban governance and explain the conditions for action of the various players (local, outside, public, private).

This double approach revealed a number of ambiguities. First, governance is sometimes one component among others and sometimes a crucial concern in a project or urban policy. For example, support for decentralisation policies in countries of the South is intended to create local power-centres and municipalities. But these new systems disturb existing equilibria and involve the definition of new regulatory mechanisms. With projects, the methodology used takes some principles from the field of governance by introducing new forms of participation and involving players from "civil society". From this perspective, governance is a component, a means or a condition for executing a project or defining a policy. In other cases, governance may be the very objective of the project. For example, this is pursued by strengthening anti-corruption institutions, increasing transparency and improving the effectiveness and capacities of administrations in executing projects. In the practice of contemporary urban development in

cities of the South, use of governance appears not only to be inevitable but involves a paradox, since on the one hand it is only one component of action in cities, while on the other, it is the purpose of that action.

The working group finally chose two key points that characterise urban governance. First, a number of analysis raise general questions about the construction of a stage-set for “urban governance”. We attempted to identify the mechanisms for manufacturing governance systems: this approach revealed the singularity of the processes, the plurality of situations and, not least, their complexity. The diversity of institutions and national and local frameworks (legislative and regulatory), and the multiplicity of players (local, outside, public, private) obscure the governance systems that existed before. However, there are “trends” and cross-cutting features that characterise the processes at work from start to finish. Second, since the term “governance” has several meanings, it would be inappropriate to suggest reformulating urban governance. The multiplicity of its fields of application and the originality of the processes involved show that this notion remains hard to grasp. It is found in the worlds of politics, technology, economics, finance and social affairs, and at various territorial levels.

For pragmatic reasons our aim is to provide pointers, to show in what conditions governance systems exist and may be effective, and to discuss regulatory mechanisms that are both the objective of governance and essential conditions for the sustainability of the process. We finally address the question of how to evaluate governance performance and the limitations of this form of guidance for urban management and urban projects.

## *How is urban governance conceived and produced?*

In our sessions, a key question recurred: how is a governance system manufactured? This issue underlay all the discussions, even when it was not expressed as such. However, the various presentations often revealed how the stage-set of governance emerges and operates. How are governance systems constructed whether for national urban policy or official development aid (ODA) urban projects? How is the concept of governance perceived in the definition and execution of urban policy nationally and locally? How are relations established between public and private sectors in raising and allocating finances? How do “outside” and “local”, “top down” and “bottom up” relate to one another? On the basis of the material we now have, what are the conditions for the systems under study to exist and operate; what are the effects of the processes implemented; and are these processes sustainable or not?

### *The birth of urban governance systems: interpretation of observed practice*

Within the field of international development cooperation that is the framework for our discussions, we observe considerable convergence in the ways in which urban governance systems are set up that are justified by the concern for an institutional control of urban development consistent with the institutional control of development via structural adjustment and the reforms it requires. In almost all cases, in response to what some have called “free-market dictates”, operational models have emerged to adapt cities to globalisation with new urban infrastructure (ports, airports, motorways, commercial facilities such as bus stations and markets). There are also urban management models for urban services (public service delegation or concession, privatisation). All of them are easily identifiable by their common reference to practice in the countries of the North. These models are designed to be of universal application wherever development aid is provided.

In practice, we observe that governance is somewhere in between free-market dictates and democratic requirements. The attention given to social regulation in the Millennium Development Goals (MDGs) has opened up the political scene in many countries. National and local players have diversified, demands have been made by “civil society”, which does not generally have the same objectives or use the same arguments as international donors or national or local institutional players. Is this bottom-up governance? In some countries, the governance process has moved towards taking into account local participation forums that create new relations between participatory and representative democracy, at least where there is democracy of any sort. In other cases, relations between city-dwellers and the authorities can be violent, especially when evictions are decided arbitrarily.

Urban governance, by definition, is born in a local territory. Usually it is decentralisation support programmes that promote local governance systems. In some cases, the projects are preceded by major institutional reform, namely the creation of municipalities, especially urban ones, which may or may not have elected councils.<sup>21</sup> Urban authorities often have a different status from rural ones. However, there is a clear convergence to be seen in the presence of traditional authorities in local governance systems, to varying extents from one country to another and in ways not always explicit for an outside observer.

Within this framework, situations vary greatly, the creation of governance mechanisms sparks off the appearance of a large number of players of highly diverse status, and all of them are still changing. Top-down governance generally complies less with the outside model, when the State is able to some extent to exercise its sovereignty in the definition of urban policies involving measures concerned by governance. In such a situation, bottom-up governance may have differing features, such as the relationship between central and local authorities, between central administration and devolved State services, and between all of these and local urban society. The gap between theory and practice may be

21) Situations vary greatly, particularly the status of the mayor: elected by popular vote, elected by the city council, appointed by the government, etc.

observed when players make arrangements and improvise among themselves, and when governance is blatantly the result of negotiated processes or strategies devised by players who may be “concerned” by the systems being constructed.

Identification of these forms of construction is supported by an economic approach to governance (whether from above or abroad), based on recognising and capturing the economic flows “down” and “up” during processes. The downward flows are public funds, from multilateral or bilateral aid, distributed mainly to local government authorities, particularly as “institutional support” for the management of contractors that is supposed to belong to the local authority. These flows have disappointing results: the obvious lack of local competencies often causes the appearance of opportunistic structures that parasitise international aid without contributing to the improvement of urban management. In other cases, the downward flows go to international or national NGOs, feeding a “development market” that has also been called the “development industry”. In many cases there is local competition for funds that mobilises grassroots players.

This initial identification of factors in manufacturing governance systems raises a number of questions: Is governance perhaps a political and economic lever to encourage local players to enter the market economy and the political arena? In that case, we would be able to see the “gains” and “losses” for the players “concerned”. Are those who fund governance the only ones to obtain the greatest benefit from the new processes? The appearance of new local elites on the economic and political scene gives a partial answer to these questions.

Given that these mechanisms for manufacturing governance systems are so diverse, it would be illusory to think that the conditions that ensured a given system's success and sustainability could be replicated elsewhere. The “best practice” exalted by development players carries with it a way of thinking that may be dangerous, since the success of a project largely depends on a particular context (historical, social, economic). Furthermore, the quality of the urban development cooperation projects for governance depends crucially on the players involved. On this point, the working group noted that urban governance involves a multiplication of players associated with the systems. This multiplication obscures and complicates the operation of processes often subject to many constraints imposed by donors. These include means of financing, and timetables that cannot always be kept to, causing obstacles to the completion of projects and policies.

Urban governance is perceived as a dynamic system. This is to say that an indefinite number of players participate in a negotiated process intended to plan or develop a territory. But those who were in on the process at the outset are necessarily those who will be identifiable at the end. The expulsion, resignation or integration of the players in a governance system reveals its dynamic nature. Research into “the borderland between institutional policies and social dynamics (Lebanon, Algeria, Morocco, Mauritania)”<sup>22</sup> demonstrates the dynamics that accompany the announcement of urban projects by institutional players, in which new players emerge (usually from communities). These new players join or demand to join the established governance systems. Because of tensions and obstructions in debate, informal governance systems emerge to manage the many interactions between the initial decision taken by the authorities and the actual work done. Negotiation in this area is virtually permanent and subject to interruptions and contingencies. Furthermore, the question of dynamic governance systems raises the issue of ownership. Players are excluded or included according to their ability to communicate and assert themselves locally or nationally, and to adopt the codes and rules so as to be recognised by the institutional players.

22) Research by Fran\_oise Navez Bouchanine's team for the PRUD.

### *New features emerging when governance systems are manufactured: urban transport*

Governance mechanisms are partly determined by the type of sector (or urban service) they are devised for. In the case of transport, the relations between informal-economy players and formal private operators challenge these systems: does one side need the other to have the legitimacy to operate in an urban territory? Do the private operators need the informal players in order to propose an appropriate, effective and efficient service? Economically, in some urban districts the public sector is bankrupt while the outside private sector has technical capacities and real financial potential. However, the local private sector meets citizens' needs better in terms of service, network coverage and price. This upsets the provision of transport. Self-employed players from the informal economy are increasingly moving into the operation of urban services, interfering with the activities of private operators forced to live with the informal sector.

In practice, the services that attempt to apply the State's policy guidelines in the construction of governance systems diverge from World Bank recommendations, which are to privatise public transport. By asserting their own ideas of governance in this area, some States have managed to create hybrid public-private transport systems that avoid legal rules and models laid down by international donors. However, the ability of local authorities to manage this sector is not proven. Consequently, given the competition between these various players, it is universally agreed that ground rules must be established. Since total privatisation is recognised to be disastrous, even by the World Bank, which recommends competition for the market (tenders to enter the system) and not competition in the market, this illustrates the function of the authorities running (or regulating) transport, a major point in our examination of governance. The purpose of governance is therefore to move from relations that are by their nature antagonistic to calmer relations of cooperation, on the basis of clearly defined objectives and negotiated compromise. These essential adaptations required to maintain a quality service for all urban social strata are a sort of social regulation.

While urban transport is a good illustration of the arrangements arrived at to improve urban management, in other sectors too (shops, property) mechanisms can be found that are also based on ignoring the rules and take account of informal and customary practice.

### *Conditions favourable to establishing governance systems*

The characteristics we describe below raise complex questions concerning the choice of level of intervention, use (or not) of intermediary structures, the quest for continuity between national and local levels of action, and participation.

- *Relevant level for territorial intervention:*

Our discussion revealed the difficult relations between the many governance systems at sub-local level, often accused of splitting the city, and the instruments that would provide the city with physical and management coherence. We examined the social consequences of a multiplicity of “perimeters”, which gives rise to fragmentation of the territory and social segregation as a result of choosing the operators in charge of running urban services. Since these operators are motivated by economic incentives and not by a concern for fair access to services, they decide their action on the basis of selecting the most solvent communities. At the same time, research into competition between municipal and “community” water services in small African towns<sup>23</sup> has shown the damage caused by the adoption of the principle of

23) Research by Sylvie Jaglin (“Municipalisation versus community privatisation: competition models for water services in small African towns”).



community management. The official regulation mechanisms based on user collectives favour governance focused on these organisations. Local authorities' lack of competence is an argument and a pretext for favouring the local private sector and privatising this sort of service. As a result, the municipal level is marginalised. Projects operate at local private level and lead to “fragmented governance”, whose higher levels are outside the city. The fragmentation of territory is not solely due to the increasing amount of delegation management of urban services at sub-local level, but also to the accumulation of projects that are not consistent or coordinated with each other. The project mindset involves parking technical facilities on a territory with no consideration of harmonising or coordinating these bits of cities.

Urban development policy-makers and practitioners consider that the municipal level ensures effectiveness in urban governance systems. This idea is based on the principle of subsidiarity. Although that is a principle that is recognised and accepted in principle, it still needs to be applied. Clearly, intervention at local level depends on recognition by the national or central level of the legitimacy of local authorities, and in particular their capacity to take on the management of urban contractors. There are also the conditions required to operate complex governance systems. Do local authorities have the necessary capacities (technical, financial, managerial) to create, support and control such processes? Choice of the relevant level for intervention is made more complicated still by the use of sub-local players, raising difficulties of coordination as a result of the accumulation of projects in the same municipal territory.

While the municipal level has its problems, the implementation of governance at metropolitan level has “broken down”. Urban sprawl and the movement of city-dwellers and goods cut across urban entities' administrative limits. Transport, water, housing and waste disposal can no longer be managed on the spot by a single entity. The approach needs to be comprehensive, shared and concerted with neighbouring entities. This is nothing new and it applies just as much to the South as the North. However, while the management of metropolitan services and the creation of metropolitan governance systems are difficult in the North, in the South these systems come up against a number of obstructions. Where there are municipalities, structures are set up such as urban communities or forms of intercommunal cooperation, which are designed to achieve some degree of spatial, economic and social coherence. The problem of competence and resources is acute. Even worse, to meet strictly rational management objectives, ad hoc administrative entities emerge that do not necessarily respect the need for territorial coherence.<sup>24</sup>

- *Use of intermediate structures:*

In the interface between “top down” manufactured governance and “bottom up” evolved governance, the issue of system performance overlaps with that of intermediation, a new guarantee of the success of urban projects in developing cities. Intermediation is positioned between the players with potential financing (investors, donors) and the institutions. The working group's discussions examined the examples of City Improvement Districts (CIDs) in South Africa (intermediate structures between entrepreneurs and central administration that encourage a wider range of funding sources and also dialogue between the various entities) and the Project Management Units (set up for ODA projects in many countries as relays between donors and central administration). The objective of these two types of intermediation is not to help solve conflicts, as mediating structures do, but to stand between the players as a catalyst for their competencies and increase system efficiency. However, certain examples make us doubt the purpose and likely success of these structures. One case is the way the Vientiane municipality in Laos was created. If an intermediation structure is present throughout the duration of a project and acts merely as a “discussion partner”, the local institutional and administrative framework is not called into question. However, if the structure is established and its operations defined by international criteria, this raises a problem for the national government. The problems arise concerning governance and financial autonomy and are related to the assertion of local authority (outside the sphere of legitimacy as designed by national leaders).

24) This is the case in Vientiane, with the establishment under the aegis of the Asian Development Bank of an administrative entity, the Vientiane Urban Development and Administrative Authority (VUDAA), when there is no elected municipality that covers the same territory.

Furthermore, intermediation in implementing urban policy and projects is an issue that goes beyond technical structures, such as CIDs and PMUs.

Another type of problem arises when it is NGOs that are called in to manage poverty-reduction projects: restructuring, district development. Often their role is mediation as spokespersons, advocates, and “buffers” for residents, rather than intermediation. They find it difficult to operate alternately or simultaneously on the local political stage and in the technical field of management.

- *Seeking continuity between local and national level:*

Governance is frequently perceived as a way of stripping the State of its sovereignty and its political role in the action it takes. The systems intended to establish urban policies on the ground are kept away from the politicians who define their operating principles. In other words, the initial axioms of “governance”, especially those promoted by international donors, are evaded by the technical nature ascribed to the application and implementation of urban policies. This inconsistency raises the question of who can ensure continuity between national and local level in applying policies. The case of the participatory budgets in Brazil is a revealing one. These budgets could not have been created at municipal level and would not have lasted, if the 1988 Constitution had not given Brazilian cities autonomy in the management of their affairs, and if it had not explicitly stressed the social function of the city. This example is most instructive: where local authorities' legitimacy in managing their development is recognised in national legislation, it is possible to envisage establishing innovative urban governance systems that are appropriate for local problems.

However, there are some difficulties in this argument. At local level, there are an increasing number of makeshift institutional arrangements with no attempt at coherence between the various systems. Where metropolitan governance is being formed, this can hamper harmonisation and coherence.

Continuity between national and local levels also involves discontinuities. What form do they take? We give a few examples. When governance is decided at national level, its implementation at local level comes at a high cost. Because of a lack of financial resources, the “top down” governance intended to be applied “below” cannot be set up. There is a rift between political will at national level and the implementation of directives at local level. Continuity also concerns democracy at all territorial levels: in Cameroon, for example, at municipal level the mayor is legitimate and democratically elected. However, the central authorities have a local representative delegated by the government to ensure government policy is applied. Is democratic continuity ultimately ensured?

Continuity of authority also raises the question of attributing technical and financial resources from national to local level. This is where decentralisation, designed to be the framework for local governance and its continuity with the national level,<sup>25</sup> reaches its limits.

Another obstacle to continuity is the problem of recognising the informal economy at national level. There are many examples of hybrid systems being recognised locally in managerial practice, but not necessarily by the institutions.

Another form of discontinuity involves urban projects. Project thinking introduces new governance systems for every operation. This form of intervention in practice causes a discontinuity between governance systems relating to projects and those originally planned by national policy and local practice. The reason is partly the autonomy of project structures that reflect the aims of private property developers or international donors. Both contribute to devising and introducing urban policies that are not integrated with national ones. This pattern also raises the question of the delegitimising of the State. In the most extreme cases, in large-scale metropolitan projects, private decision-makers hold the key to governance and impose a new form of private urban governance. Often it is the players who finance the projects who set up the rules for their management and assert themselves as decision-makers.

25) An instructive case is Mali, concerning the assistance structures for managing urban contractors, CCCs (advice centres for municipalities).

- *Challenging the criteria for participation in governance systems?*

The quality of the players associated or to be associated with participatory processes was extensively discussed by the working group. A number of positions emerged. First, it is not clear that as many players as possible should be associated: not only the legal and the legitimate players but also those who are usually excluded and those who claim legitimacy for taking part in discussion. Informal players and those who dissent are not considered in formal governance systems. This practice has been observed in participatory processes with managerial ambitions. Second, the discussions revealed the need to identify the players who see governance systems (in this case project governance) as a financial rent-seeking opportunity. Some of them are NGOs of international stature and local rank. In other cases, some players advocate and represent the interests of the local communities concerned by the project, although their spokespersons come from outside the neighbourhood. The participatory process of governance enables them to acquire recognition and legitimacy in the eyes of other organisations, particularly institutional players, often to the detriment of residents' demands. However, it is necessary to consider the form and “positioning” of this type of structure. Third, there is the question of the “acceptance” of players outside the debate who can have an influence downstream of the governance systems. Here we allude to structures connected to Mafia organisations or fundamentalist religious movements, as found in the Moroccan case studies. Consequently, the quality of the players to be associated is a vast question: one should examine the players' backgrounds and their motives in joining participatory systems.

26) Governance can be based on a managerial approach: this is a “means” for optimising public resources and making more efficient use of public money. This position is in particular that of the German agencies (GTZ, KfW). In this perspective, governance refers to the discourse of the World Bank and UN (indicator of “good governance”, principles of effectiveness and transparency, etc.).

## *Regulatory mechanisms as essential conditions for the sustainability of urban governance systems*

The terms “governance” and “regulation” have become virtually inseparable. Whatever the type of urban governance established, as part of policy design and implementation or of projects, the quest for a form of regulation, where it is inadequate or non-existent, is a key objective in the introduction of governance systems. However, when speaking of regulation, it is important to identify the type of mechanism involved: is it social regulation, regulation between administrative systems and the market, regulation in a specific context of social, ethnic, intergenerational conflict, armed or not, or is it institutional regulation? As we have suggested, the introduction of the idea of governance, mixing “market”, “government” and “civil society”, has helped to confuse the roles attributed to the public sector, the private sector and city-dwellers. We may suppose that the accompanying regulatory mechanisms possess the same multidimensional nature that makes it a complex matter to identify and interpret them.

At the same time, in discussing regulation or when partners associated in participatory governance systems seek it, it takes the form of a “place” or specific procedures. These are generally institutionalised “regulatory spaces”. They may be consultative roundtables, forums or arenas in which each invited player is asked to debate and express their opinions and requests, with a view to achieving a negotiated compromise. This presupposes the existence of a democratic framework that at the very least guarantees the status as players of those who are invited. This is precisely the ambiguity in the idea of governance. Authoritarian States can obviously establish regulatory systems, but in a non-democratic context which does not allow all voices to speak, especially at local level. In extreme cases, international agencies cannot support arrangements that are outside the democratic form. Elsewhere, we consider that the quest for regulation is a response to two needs: first, for institutionalised spaces for debate that are legitimate and open, and second, to palliate the asymmetries and reduce the tensions between the players in charge of the governance systems. In other words, regulation is designed to give a framework to balanced relations between players “concerned” who are recognised in governance systems, in order to reach practical decisions approved by the stakeholders.

When we observe contemporary practices of urban governance, the reasonable question arises of the forms of regulation that preceded the introduction of normative prescriptions from the World Bank: how did it work before? Was there a pre-governance world where social players achieved coordination? Have these systems disappeared? Do they operate side by side, one on top of the other, or do they overlap? What are the visible and invisible components of these new arrangements? Who dominated whom? Who depends on whom? Might it not be useful to place current urban governance systems against a longer time-scale than that of the project, in order to cast new light on the conditions for the success or failure of the processes used?

The working group's discussions remind us that in most cases urban governance is a search for “balance”, with a considerable arbitration function, because it seeks the establishment, or re-establishment, of an “urban order”. This necessarily involves a proliferation and diversification of regulatory patterns. However, given the complexity and multiplicity of governance systems, any attempt to propose a typology of regulatory mechanisms would only amplify the multidimensional nature of governance, and would lead to a catalogue of specific situations, with no overall theoretical structure. We intend, therefore to examine regulation in the light of the elements that put governance systems to the test: conflicts that occur during processes and the question of timescale reveal features of urban governance. Finally, we describe new forms of private occupation of urban space and critically examine the nature and scope of their specific regulatory mechanisms.

## *Processes for implementing urban governance: regulatory systems and conflict resolution*

The underlying question of crisis and conflict is indirectly expressed as follows: are the relations between “State”, “market” and “civil society” being established in a peaceful arena? It turns out that even

contractual relations occur in a much less harmonious context than might be supposed. The delegation or outsourcing of certain urban functions is evidence of the fragility of cities' physical and institutional structure. So in governance systems are acted out the power relationships between players, distortions, conflicts and asymmetries. For example, in the case of the delegation of public services to a private player of international stature, that player's technical know-how and financial potential sidelines management by public administration and considerably exceeds their capacities to control. Local authorities in the South depend on international technical services established along commercial lines and not on the basis of support for public services. This "dependency" is nothing new in the history of development. On the other hand, in an age of governance, it is necessary, but not easy, to create rules for "balance" and arbitration, and to define the freedom of action of the various players, particularly in terms of initiative (subsidised connections, for example), payment and taxation, which are the practical aims of regulation.

Within governance systems tensions and conflicts are expressed that have to be addressed and arbitrated. For example, public-private partnerships depend on producing innovative regulatory instruments able to settle disputes. At the same time, governance mobilises a host of players to meet the requirement of process participation and transparency. At this point, regulatory mechanisms go beyond the technical and bureaucratic relations of the public-private interface to enter the political arena. When the user of public services, who is at the same time a city-dweller, citizen, consumer and potential voter, has access via voluntary associations or meeting reports to the discussions and negotiations between public structures and service providers, the transparency and player responsibility required by international or bilateral donors should be visibly clear to citizens. The creation of regulatory systems partly responds to this situation. Abdou Maliq Simone, in a report published by UN Habitat, described how citizens and policy-makers are required to reform the procedures of municipal institutions and ensure greater transparency in the decision-making process and the day-to-day management of urban services. But in many cases, cities do not have regulatory structures or have difficulty in devising them. In the absence of these structures, crisis and conflict are the last-ditch solutions to which "voiceless" residents resort. In this way they express their disagreement with the deals made by policy-makers and private operators and publicise their demands.

Regulatory systems reveal complex strategies established by the players concerned in urban projects. Our research has shown that de facto regulatory systems are set up in which those players assert themselves who know how to take over negotiations. It has been shown in research into the borderlands of projects that these instruments of informal governance have been effective. First, they prevent the crises that occur during project implementation. Second, local and makeshift institutional arrangements achieve consensus. The question of regulation consequently involves examination of the role of the public sphere and government, which are supposed to have the legitimacy to control regulatory mechanisms. It is local public authorities that demonstrate their ability to steer regulatory structures and organise fields of action for the players. This ability to act by mobilising instrument appropriate to ground reality puts an end to the fragilisation of cities' physical and institutional structures and provides a remedy for the draining away of municipal authority, both of which are largely due to outside governance. However, this ability to act is often based on the earlier practices of the customary authorities that, especially in African and at local level, are active players, particularly concerning land tenure.

In general, the conflicts and crises that occur in urban governance systems may be salutary if they enable those systems to work. The arrangements between players and the quality of the structures in charge of regulating governance reflect how disagreements are handled, however profound they may be.

27) Principles and realities of urban governance in Africa, Nairobi: UN Habitat, 2002, 72p.

28) Hanoi is a particularly striking example. The Vietnamese capital has an increasing number of projects for modernising public transport. The public transport sector now needs to be harmonised and not least regulated by an authority able to apply the local government's policy and coordinate the operations of various forms of transport delegated to various operators.

### *Finding regulatory systems for land conflicts*

Among the cases analysed, the land tenure system in Accra, Ghana, reveals the obstacles there are to regulating the land market according to the rule of law. It would appear to be necessary to compromise with existing systems-customary or modern-to establish hybrid instruments. Regulations are required not only to secure access to land for potential investors but also to rise above customary land tenure systems and meet the needs of public planning above communities that is the task of the new local authorities.

In Hanoi, Vietnam, property developments regularly involve the sale of land by local public authorities. But this leads to projects being parked on the territory that are not connected to each other, with no spatial coherence or any concern for sustainable urban development, planned solely for economic purposes and not the requirements of social regulation. Current institutional and judicial institutional frameworks-local administration act, land tenure act-do not make it possible to establish such regulations at a time of rapid urbanisation.

Via the questions of property taxes and the allocation of municipal resources, we come to the problem of how to fund urban public services. Land taxes are not a large source of revenue for African cities. Poor land registration, the absence of property deeds, excessive exemptions allowed to new companies and inadequate organisation of land tenure regularisation departments are the main obstacles to tax collection. The decentralisation of tax policy is advancing only slowly. At a time of increasingly rapid urbanisation, with considerable pressure on land, these various examples reveal a woeful lack of systems for settling land tenure disputes.

On the other hand, experience with participatory budgets at municipal level (Brazil), based on a fiscal redistribution policy on the principle of affirmative action, makes it possible to give priority to investment for social purposes. Discussions centre on the various claims for access to land, to secure land tenure, decent housing and access to urban services for all.

Although land use conflicts are well known, those due to eviction and the forced displacement of communities are much less so. Governance systems seem to be inoperative where economic and demographic pressure for urban sprawl and investment projects come before the right to housing of the least advantaged.

### *When regulation meets timescale*

After examining the systems that preceded governance and their associated regulatory mechanisms (see above), discussion covered the wider question of managing the timescales of urban projects and urban policies in order to make urban development cooperation projects more sustainable in the long term.

One may doubt the quality and permanence of governance structures after the period when resources are mobilised for projects. These structures often disappear when the project is completed, and so does their regulatory function. Furthermore, the NGOs associated with projects cannot theoretically be permanent structures extending beyond the disbursement timetable of international aid, even where there are coordination bodies at national level for international and local NGOs.

The question of timescale leads to that of expertise. Here, the issue is the role of residents and their ability to organise to integrate governance processes. These processes may mobilise considerable contributions in terms of expertise and local knowledge accumulated over the long history of their country. The quest for regulation would do well to be based on an analysis of local social relations and thus share the expertise. Local ownership of urban management structures, which may be the long-term aim, is probably an essential factor in their sustainability.

When addressing governance issues, it is useful to examine local attempts that have failed. What happens to them? What trace have they left? What becomes of the players? Examination of these failed actions over time is important for later actions. In all the analyses of governance systems, it is necessary to reintroduce the time factor in order to detect the “accidents in governance” and identify what followed, which may not necessarily be negative. Projects can sometimes lead to unexpected developments with effects long after project termination.

The reality of backstage influence in governance systems belongs to the long term. When these systems are devised one cannot ignore the “pre-governance” state of affairs when there was a certain equilibrium in the relations between players concerned by a given territory and a given project. This directly challenges how ex-ante evaluations are carried out. Within the long term there is the post-project period, ownership of its achievements and the question of ex-post evaluation. It is not possible to devise regulatory mechanisms for urban governance systems without examining the question of their long-term existence.

### *Is governance “the only game in town”?*

The two previous points in Chapter 2 might give the impression that governance occupies the whole space of development, and particularly urban development. The considerable importance given to it is strengthened by the attention, and considerable research resources, paid in the last ten years by international organisations to formulating criteria for “good governance” and evaluating its performance. We discussed this matter, knowing that it deserves close examination and further research.

### *Reform performance as a development criterion. Governance indicators*

The first question is the indicators used to evaluate the performance of governance systems. Although the Millennium Development Goals (MDGs) attempt to redirect governance evaluation towards results in development and poverty reduction, the process is still considered to be the condition for achieving tangible development results. The list of worldwide governance indicators (WGIs) published by the World Bank in 2006<sup>29</sup> is clearly designed to measure the six dimensions of governance:

- *Voice and Accountability* - measuring political, civil and human rights.
- *Political Stability and Absence of Violence* - measuring the likelihood of violent threats to, or changes in government, including terrorism
- *Government Effectiveness* - measuring the competence of the bureaucracy and quality of public service delivery
- *Regulatory Quality* - measuring the impact of market-unfriendly policies.
- *Rule of Law* - measuring the quality of contract enforcement, the police, the courts, including judiciary independence, as well as the impact of crime
- *Control of Corruption* - measuring the abuse of public power for private gain, as well as state capture by elites.

The 200 or so countries examined along these lines, which largely intrude into the political sphere, are ranked by their ability to reform, and progress in this area is supposed to lead to improved results in development and poverty reduction. However, apart from the fact that these results are problematic, these assertions strengthen the analysis that claims that governance is still a conceptual strategy rather than a concept.

29) Cf. Banque mondiale : Governance matters, 2006 : world wide governance indicators.

In the field of urban development, UN Habitat has developed an Urban Governance Index (UGI), which it published in 2003. Nearly 25 indicators are proposed under five principles or variables for measuring urban governance:

- Effectiveness and efficiency
- Equity
- Participation
- Accountability
- Security

These principles form the architecture of what urban governance can be. They are probably the result of a technocratic illusion and are certainly extensions of the objective of reform performance as a criterion for development, and within the perspective of a conceptual strategy.

It must be recognised that these approaches are attempts to rationally model situations that are hard to grasp. It remains therefore essential to have appropriate indicators, to identify developments in democratic processes, and to unravel within them the components of governance (financing, expertise, communication, intermediation). To go beyond the limitations of what has been achieved by the international organisations, it would appear to be local or international observatories for participatory democracy that are the vectors for overhauling the issue of governance. It is within cities and inter-city arrangements that these new questions are emerging. At present, the work begun in the observatories for participatory democracy is intended to assess how decisions are taken in multi-player procedures.

On the basis of our research and discussion, we have chosen three indicators that move towards an overhauling of our rationality:

- *Redressing the social balance:*

The effects of government systems may be analysed from the point of view of redressing the social balance. To examine the resources available for wealth redistribution clearly involves critical analysis of the effectiveness and objectives of local tax regulations. A good example is the participatory budgets. Whereas the procedure was designed mainly for defining the budgets of local authorities, they have introduced new forms of governance with significant social effects. Higher taxes have made it possible to invest in collective structures and facilities of benefit to the least advantaged groups. Since the association between municipal taxes and redistribution has not been greatly explored, it would be useful to be able to direct the components of governance systems towards this objective of redressing the balance.

- *New forms of participation:*

With respect to the effectiveness of governance systems, some speakers doubted the value of participatory systems if they are imported in situ by international organisations rather than emerging from a tradition of exchanges among local communities. In the latter case, are these forms of exchange maintained as such in the definition of project governance? On the matter of participation: is developed best served by strengthening community or territorial developments or rather by national strategies in the name of public interest? And what entities (group players) are likely to take part in the process? In considering participation by residents, the recurring question is the rights they have to the city, the recognition of their citizenship, and their status as city-dwellers.

- *Towards a new urban order:*

Whatever the performative effects of governance, there is the question of the purpose of the process, foreshadowing the assertion of a new urban order. This primarily involves including new players (local, outside, private, public, community, etc.). If governance favours the establishment of a new urban order, we are entitled to examine the quality of that objective in terms of the participation of the players “concerned”: is this governance socially inclusive or selective? In other words, when appealing for participatory governance, is there an effective wide and open mobilisation of all players or, on the



contrary, are only certain duly identified players or those created for the circumstance invited to these consultation processes? The purpose of these processes causes us to examine the power relationships and how they are managed, and to integrate the likelihood of asymmetrical relations between the players. Analysis of the performative effects of these systems will enable us to identify the “winners and losers” in the governance game and not least understand the mechanisms at work in this type of relationship.

### *Other “games in town” than governance*

- *Identifying the rationales underlying governance systems:*

The examples discussed by the working group repeatedly illustrated the difficulty the various parts of South have in accepting doctrines that take a technical approach to address the political components of the local and national levels of urban policy. Furthermore, these examples raise the question of the underlying rationales for the notion of governance as it is proposed by development players. Starting from the experience of the participatory budgets, we analyse the rationales behind the creation of governance systems.

“In Europe as in Latin America, participatory budgets may have various types of objective that are not exclusive. The first is administrative: the participatory budget is conceived as a way of raising the efficiency of public administration. The second is social: the participatory budget is intended to have a social result, such as helping to “reverse priorities” (in Brazil) or “generate a social bond” (in France). The third is specifically political, the idea of democratising democracy.”<sup>30</sup>

To address urban governance in terms of progress with democracy is to examine the purpose and manner with which elected officials, vested with executive power, wish to shape its systems. The real question is: what governance systems for what objectives? These systems tend to be established on the following rationales:

#### *1. Managerial rationale*

The managerial approach is a way to optimise public resources and make the use of public money more effective. This viewpoint is in particular that of the German development agency (GTZ). Under this rationale, governance is based on the discourse of the World Bank and United Nations (“good governance” indicators, principles of effectiveness, transparency, etc.). In Mozambique, for example, the notion of governance is used instrumentally and now aims at transparency and fighting corruption. But these principles have to be applied by municipalities that find it hard even to exist. The reduction of governance to transparency and corruption is symptomatic: it can be seen in the bilateral agencies of the English-speaking world, particularly the American. To reduce the concept of governance to a managerial purpose does not make it possible to be operative in priority areas (participation, equity, effectiveness, etc.) and the basic principles of dialogue with the informal economy are bypassed.

#### *2. Social rationale*

The underlying hypothesis of this view is that if a social bond can be established somehow at local level, this will provide a basis for strengthening governance and implementing its mechanisms. This is often community-based and concerns projects rather than policies. Although this rationale is of value, in inevitably specific situations projects are not replicable and cannot be used as a reference in defining policy. The problem with this rationale is that it does not call into question the foundations of societies (in both their social and political components). It tends to focus on the bond between the citizen and the elected official and evades the potential that could be mobilised in collective citizen action.

30) Yves Sintomer cité par Yves Cabannes in *Presupuesto Participativo y finanzas locales. URB'AL, Programa de Gestión Urbana, Prefeitura Municipal de Porto Alegre. Cuaderno de trabajo 137.*

### 3. Political rationale

“Radically democratise democracy” is a popular slogan in Brazil that finds expression particularly in the participatory budget process. This form of budgeting appears to be an educational opportunity for democratising governance and democracy. Participatory democracy emerged twenty years ago and gradually positioned itself alongside representative democracy. Governance systems are in this way vectors of politics, law and democracy, and links are being forged between a civil society of which little was known and local governments that are still being developed. A non-governmental public sphere is thus being asserted that is essential for managing cities, with an attempt to reconcile the political and managerial dimensions in the government of the city.

Identification of these three rationales that underlie governance mechanisms does not mean that such mechanisms are exclusively managerial, social or political, for all three are present in each specific situation. In a project (or when an urban policy is being defined and implemented), the triangle can have unequal sides: governance will tend towards one apex or another, but only the policymakers (or those who fund governance) can decide the content and sense of the system. And it is the degree of implicit and explicit in the expression of the underlying rationales that makes for differences in performance.

- *Urban dissidence and secession*

Although urban policy is designed to make a city a society, our discussions revealed situations of urban dissidence and secession, in social terms (the informal economy and its networks) and spatial terms (private cities, and CIDs in South Africa). Why is this happening? Is it due to the failure of development models, or the difficulties in implementing urban policy via urban governance systems? The answer is not a simple one, because these trends are not an exclusion but are voluntary and conscious, and because they do not necessarily involve the poorest categories in the city. Furthermore, this behaviour does not express a categorical break with the authorities, particularly the city authorities, but rather a double protest: against urban policies that are one facet of development policy and against the way they are implemented.

One may consider that these phenomena lie to some extent outside the sphere of interest of international development cooperation. However, they cannot be ignored, because they show us how unconvincing is the exclusion/inclusion paradigm that informs the quest for urban order, based on a good governance that covers the entire urban territory. Rather than ignore these movements, which are expanding in cities of the South, we should examine the specific forms of governance that are being established in these areas of informality and deliberate distance from the social contract of city-dwellers.



## *Chapter 3*

# *Proposals and recommendations*



Before we enter the delicate area of recommendations, we would stress three aspects of the issue of urban governance within the context of international development cooperation and extract a few ideas that guide our proposals.

First, the notion of urban governance takes some of its characteristics from the way in which it emerged and from its promoters (particularly the World Bank): free-market dogma considers urbanisation as an engine of development; despite its contradictions (cities' adaptation to the global economy, causing eviction from land and a lack of local participation), governance has the advantage of being an ambiguous concept that can address specific situations as a neutral instrument while in practice neutralising their specific features, particularly the political ones. One point must be made: the lack of political and territorial roots for the formulations and formulae of the international bodies opens the way for ideals that are not openly professed or empirically tested in action, because it is the beneficiary states and local authorities who have the job of implementing them. This distance makes dialogue possible (even if it is a dialogue of the deaf), on condition that opposite numbers are trained in answering (capacity building); it opens the way to idealising the “good examples” (best practice), and even incorporating national or local initiatives, such as the strategic planning model in Barcelona or the participatory budgets in Porto Alegre. They “forget” to mention that in both cases democratisation was a precondition for these models and legitimised their emergence. At all events, they had nothing to do with development cooperation. We return to this below, but we may already ask what is the legitimacy (indeed the capacity) of international bodies in defining the rules of good urban governance. This does not stop us considering the use of the term as an opportunity for opening up such a debate.

When examining the conditions of urban governance within the context of international development cooperation, we need to take into account the initiating effects of externally funded projects and the complex patterns of players who are present in the implementation of urban governance projects. It is easy to see the “advantage” of employing a terminology that combines technical effectiveness, economic rationality and local democracy. It is true that this occurs at an institutional level, with questions of coordination but without entering the field of politics, which would require the word “government”. However one cannot ignore questions of the autonomy of action of the states involved in such complex development systems, whatever aid conditionalities may be laid down. This is true for the beneficiary State, which sees its sovereignty or field of competence encroached upon by various forms of delegation and decentralisation; it is also true for the donor institution, whose contribution does not always include the technical, or conceptual, skills for the approach adopted, and may look like interference. Furthermore, these approaches depend on external funding and technical expertise, and may result from concepts and rationales that do not truly belong to the societies concerned. There is the specific history of each society and their long-term future after the short timescale of projects, with a weakening of their social pillars and uncertainty as to the sustainability of their attempts, or the abolition of these attempts and a return along the difficult and controversial path to the status quo.

The paradoxical and contradictory dimensions of governance systems are due precisely to the fact that they deny their origin in globalisation and an urban vision for upgrading territories to its dictates. They also conceal an approach that tends to outsource to the beneficiary state's institutions the difficulties of implementing the adaptations required and favours the supra-state level (international and regional organisation) and the sub-state level (local institutions, decentralised development cooperation, NGOs) as

sources of “good” urban governance. As we have said, what particularly qualifies international donors to lay down the rules for the good government of national territories, when it is not their mission and their status precludes them from testing their ideas against reality?

At all events, we believe that national development players will have to take back the initiative in design, priorities and *modus operandi*. This is the starting-point for what follows.

Our proposals are a logical extension of the discussions of our working group on urban governance since September 2006. They also take account of the documents published by the Ministry in advance of the formulation of a strategy for urban development cooperation. We consequently restrict ourselves to the mainly public sphere of French development cooperation; we make no recommendations concerning the intervention of a number of private and non-governmental players, who have their own strategies, except there they are involved in French development projects subsidised, financed or co-financed by public money. However, urban governance, whether of public or private origin, is also a research topic. For our part, we have done the work we thought necessary to deconstruct and reconstruct what is presented as a concept and which we consider to be a notion or indeed a “conceptual strategy”, as we suggested in Chapter 2. For further analysis, we believe that the production of knowledge in this area is a necessity, particularly in order to build a foundation for training new cohorts of experts, North and South, and to contribute to improving performance in a rapidly changing field. First, we could draw the attention of the Ministry of Foreign and European Affairs to a few key points that should contribute to informing its work to formulate an urban governance strategy.

## *Key points for an urban governance strategy*

### *Governance as a conceptual strategy or a political contract*

Governance may be seen as a semantic category of importance less for its intrinsic theoretical content than for its function as a code and generalised reference designed to achieve uniformity in the paradigms promoted for the new forms of collective decision-making, intended to be consensus-based. A number of difficulties may arise and, pragmatically, should not be ignored.

This conceptual strategy may be found at two levels, national and local. At national level, the discourse is ideological and has little to say about urban policy and the role of the existing authorities in this area. At local level, NGOs are used to implement urban development projects and maintain the ideological reference. In both cases there is the major risk of having dysfunctions in the implementation of action, in the form of resistance, deception, displacement activity and dissidence. Effectiveness is not served.

If governance takes the form of the establishment at a territorial level of systems for coordination and control of urban projects whose objectives, in particular of social regulation, and funding arrangements are known and approved by the local authority and local society, then governance as a process becomes a political contract (in the broadest sense), whose implementation must be able to be monitored by all players.

Seen in this way, governance comes close to the French notion of *maîtrise d'ouvrage urbaine* (urban management of contractors); it is collective when it involves players of varied status, and has developed, when urban social development policies and projects have been designed, involving a large number of varied players each of whom has a share of responsibility and funding. For action to be coherent, we must speak of collective urban management, to indicate the two spheres of decision-making and funding. This states the issues of the political contract and systems for coordination and democratic control. This could be a local form of governance.

### *Performance indicators for urban governance*

We have argued that the indicators currently used by international bodies are unreliable, particularly for evaluating the results of “good” governance for development. The criteria contained in the indicators need to be revised to take account of a number of considerations: where governance in urban development actions targets the poor and the “excluded”, is it a socially inclusive notion or a selective one, particularly when it calls for participation? Criteria need to be used that are qualitative (types of players mobilised, or ignored, those who appear and those who disappear, forms of mobilisation, etc.) and quantitative (sociological structure, living standards, quality of life, etc.).

To return to the batteries of criteria currently used, we would also refer to the criticisms that researchers have made of a project mentality that restricts the scope of action to “target groups” and the definition of thresholds (particularly the “poverty threshold”), which splits the social body into impermeable or permeable sections. Project mentality introduces a complex relationship between public policy and territory. It fragments conurbations into short-lived territories, enclaves for outside capital and skills. Only rarely is a project territory the area for sustainable popular mobilisation. The project's limited horizon is unsuited for long-term learning in the social and institutional spheres. It brings with it a proliferation of norms, generating uncertainty for its intended beneficiaries, and, as a vector for strategies to access short-term external resources makes it impossible to dynamically address the issues of the management and sustainable funding of structures.

With respect to territorial or local governance, a battery of political criteria, both quantitative and qualitative, needs to be developed. We have mentioned the danger of draining away municipal authority by introducing a local governance that does not take account of the local authority and sets up a sort of delegation of public authority, giving a host of NGOs and voluntary associations functions that the decentralisation laws ascribe to local authorities, and in particular to municipalities. Care should be taken to evaluate the risks of these contradictions, and the risk of community privatisation at sub-municipal level. It must also be seen to what extent a given form of local urban governance encourages or does not encourage the emergence of local technical and political elites.

### *The impact of governance systems on economic development*

In a given period the establishment of governance systems may attract two sorts of resources, the distribution of international rents for governance actions and a bottom-up mobilisation of local resources contributing to the funding of development. Since these two flows can be evaluated and compared, the ratio between them might be a significant indicator of the social changes brought about by the governance systems, which needs to be measured quantitatively and qualitatively over a significant period.

In the case of bottom-up flows, attention should be given to the financing of local authorities (see the work of the French Development Agency's - AFD's- think tank on the financing of local authorities). Two conclusions emerge from this work:

- No borrowing without taxation. The capacity of local authorities to finance major investments depends on their capacity to launch bonds nationally and internationally so as to spread the debt burden over more than one generation. But these commitments are conditional on having long-term mechanisms for generating tax revenue.
- Taxation is a necessary lever for constructing citizenship.

The understanding and close analysis of these situations, particularly important for urban development, must precede any decisions at local level and be carried out over a sufficient period to be significant.



## *Research proposals*

### *Academic research*

The questions raised during our working sessions, described and systematised in Chapters 1 and 2, lead to a series of proposals for research. We have selected two major ideas based on our analyses to deconstruct and reconstruct the notion of urban governance. One is the great complexity of actual situations and therefore of the ways of constructing and operating the systems. The other is that urban governance, understood as a democratic approach to the implementation of urban policies, is a process that requires time and methodological rigour. Our proposals are based on these objectives.

As we have pointed out, the topic of urban governance has not as yet aroused great interest among the major research bodies, such as the ANR (National Research Agency), CNRS (National Centre for Scientific Research) and IRD (Institute for Development Research), although it has appeared among many others in recent calls for tender. One example is a research programme launched by the ANR in 2007, entitled “The Souths”. Furthermore, research for development, and consequently urban research in this field, continues to suffer from its isolation in the world of French academic research. It seems appropriate to us, in order to define a specific approach from France, to approach the ANR to formulate a request for research which could enable urban research for development to leave its relative isolation and go beyond the fragmentation and limitations imposed by the FSPs (Priority Solidarity Funds) specifically applied to the ZSP (Priority Solidarity Zone). Many governance systems set up by development agencies are connected to decentralisation programmes, many of which are funded by the French development cooperation system and inspired by French models. The forms of management of urban services are often those of the major operators in France and elsewhere. Decentralised development cooperation encourages a dissemination of French patterns of urban governance in partner countries, particularly in the fields of urban policy and urban social development. The financing of urbanisation, the construction of citizenship, local democracy and the status of urban services correspond to urban policies and operating models of widely varying origin. In these various fields, comparative investigation involving a significant historical depth would be able to inform generalisation for comparative purposes. On more specific points, further in-depth research would make it possible to comprehend the effective impact of governance. For example, some urban governance systems do not strengthen local government but in practice “drain away” municipal authority. Similarly, the exaggerated role of some poorly-controlled NGOs can have a negative effect on local democracy, when their actions lead to community privatisation, as has been noted for micro-local water supply. Investigation could be made of the growing fraction of city-dwellers who move outside the formal mechanisms of urban governance, develop the informal economy, or secede to private cities. This would challenge the urban development model and the urban policies based on it. It would also call in question the project mentality brought in from outside.

We propose that certain countries should be selected for research, with the agreement and participation of the research authorities in those countries, in order to update the analysis of the various ways urban governance is produced. Those we have identified are Brazil, Ethiopia, Mali, Morocco, South Africa and Vietnam.

These research programmes should be funded by a number of ministries, including MAEE, research bodies, ANR and those universities that train researchers in the field of urban development. Closer links with the research sector in the EU should also be formed. As was done in the PRUD, research should concentrate on the analysis of practices and players' rationales and strategies, in this case concerning urban governance. However, research should also analyse empirical realities in order to contribute to theory in the field of governance, use what is analysed in the fields of urban development and more

widely development itself. Much work remains to be done in this particular field of public action to provide a specific contribution to the vast current debate on governance, governmentality and governability. This research would also, naturally, have a considerable impact on the definition of governance strategy.

### *Action research*

Concerning that part of development research that is action research, the working group considered the hypothesis of setting up monitoring units for urban governance. Although the idea is a priori attractive, this proposal should be examined with caution: presented as such, a unit of this sort could be seen as an unacceptable interference by the partner country. Consequently, these monitoring units need to be created for particular points (local finances, budget choices, migrants, housing and other urban services, urban land tenure systems, etc.), if possible with combined views from North and South. Closer links with international organisations would make it easier to set up such urban governance monitoring units. One example was proposed, concerning forced eviction and “market-driven” eviction, a topic that has produced a certain experience and innovation in urban governance. It occurs in nearly sixty countries and in widely differing cities. UN-Habitat's Advisory Group on Forced Evictions, using numerous reported case studies, describes innovative practice with certain institutional “arrangements” that come under governance and include a further learning experience. Using a specific entry point (here, forced eviction), with support from bodies already observing the phenomena, these “governance monitoring units” would help support these processes and strengthen them. The French Ministry of Foreign and European Affairs (MAEE) could be associated with this approach; commitments could be envisaged that were similar to those already made to monitoring units for decentralisation. This action would strengthen institutional links between MAEE and international organisations.

The experience of the institute for development research IRD's teams working on urban matters shows that the patient building of trust between partners is essential. This trust is built up in long-term partnerships, not only with local researchers but also with public and private operators. The trust-building process requires a certain degree of political stability and the acquisition by international researchers of a finely-grained knowledge of the institutional relationships and the organisation of the occupational groups working within the city. It would be useful to draw inspiration from two specific examples: the work done in the Andes over the last twenty years, based on Quito, and the work of the Ethiopian Civil Service College in the last seven years.

Despite the difficulty of setting up urban governance monitoring units, they would make it possible to address more systematically, over a longer term than the project timescale, the central question of residents within governance systems. Much research has been done on participation and the social regulation expected from it. There is less research into the informal participation that arises during urban projects. And even less into those people who are excluded, or retreat into dissidence or secession. It is important to consider those sans (sans roof, sans job, sans medical and welfare cover), minorities and young people, who are citizens but have no access to public services or any mechanisms for integration into the usual social contract. This approach has not been sufficiently developed. For urban governance monitoring units, these topics find their place because they contribute further understanding of the dynamics of the players “concerned” by the systems established.

For this sort of action, it would be preferable to mobilise French centres abroad that come under the MAEE. In this way, urban governance monitoring units could incorporate local and French researchers on programmes agreed with the local authorities, and play an important role in capitalising knowledge and analysing governance practices. It would also provide an opportunity to overhaul observation methods and remedy the insufficiencies noted in our research concerning indicators of “good”

governance, by observing various ways of producing urban governance within the major international networks of cities and in international organisations. We also discussed the widespread tendency to focus in action research on pilot projects in order to find “best practice”. Apart from the propensity of such an approach to pronounce value judgements in deciding what is good, it is highly likely that tensions internal to the project, caused by personal interests that are part of everyday life, may escape the most objective observation.

For all these reasons, we believe it is preferable for attention to be given rather to situations in which experience at national level with democratic and especially urban governance makes it possible to produce innovative systems at territorial level. This is true, for example in Mali, Morocco and Vietnam.

## *Moving from research to action*

### *Methodology of urban projects*

The move from producing knowledge for decision-making and action in a new field such as governance cannot occur to order, nor on the basis of mutual good will or even good communication. This is a well-known problem. Despite major efforts to use the PRUD research, with support from MAEE (publication of the proceedings of the final dissemination colloquium), UNESCO (posting on the GEMDEV site of most of the PRUD research reports and other documents) and the teams themselves, who have published books and articles, the space remains to be filled between knowledge and discussion on the one hand and the sphere of policy definition and ground interventions on the other.

Benefit can also be drawn from the experience of ten years or more of the “Land tenure technical committee” set up jointly by MAEE and AFD. The Committee has worked hard to capitalise data and analyses. It has also developed a number of instruments, such as the Rural Hub in Dakar and a “Land Tenure and Development” website.<sup>31</sup>

In the short term, researchers might be called upon to take part in the technical committees that define FSP-type operating programmes, where these have an urban governance component, and in steering committees during the implementation period. For example, in those fields of intervention that concern the relationship between representative and participatory democracy at local territorial level, it is essential that specialists be consulted. Their expertise particularly covers the coherence and structure of traditional authorities compared with those of local elected officials, the structure, importance and influence of civil society and community life, and the presence or absence of continuity in urban policy and governance systems between national level and the municipal and sub-municipal levels. The local urban governance systems to be designed by particular projects should meet not only technical objectives of urban management but also the parameters mentioned above.

Clearly, when knowledge is produced, as it largely was in the PRUD, by joint North-South research teams, the risks of European or Western bias are reduced, although there is no guarantee that they can be eliminated.

In the medium term, we consider that the methodology for defining intervention projects for cities needs to change radically to integrate more efficiently the culture of evaluation, which provides sound guarantees of coherence and consequently effectiveness. On the condition, however, that the evaluation methodology guarantees the exercise's independence and complies with a few principles of design and implementation in line with the objectives of the urban governance process. To that end, researchers, representatives of the community concerned by the project, representatives of elected officials and

31) [www.foncier-developpement.org](http://www.foncier-developpement.org)

professionals, should be involved in the three stages of a continuous evaluation, as so often recommended but rarely done:

- *Ex ante* evaluation to adapt general objectives to the social, economic, technical and political realities of the local context, by calling on specialists who are familiar with them.
- *Monitoring-evaluation*, during which observations validate the initial hypotheses and also redirect the project. Survey-participation techniques could be usefully employed to avoid the problem in project operation that is often mentioned, namely an asymmetry in the circulation of information concerning the project, and a lack of information on the reactions of the communities concerned.
- *Ex post* evaluation, which, in this methodology, has its value in the lessons learnt from analysing the results, particularly if this phase also includes the various project stakeholders involved in the previous phases. It can be valuable to repeat the ex post evaluation some years later, because it may happen that the movement initiated by project continues, sometimes in an original fashion, after its official end.

This continuous evaluation approach should not replace all the participatory mechanisms that are at the core of democratic urban governance systems. In the public space that is to be created and maintained throughout the project, evaluation can contribute elements of rationality and transparency that can be useful to settling conflicts and making good use of innovations.

### *Overhaul of expertise and training*

In the longer term, the urban governance strategy should acquire the means to bring about an overhaul of expertise in this fairly new field, at present closer to city government than to urban management and planning. Urban planning careers have changed considerably to correspond to a greater diversification of tasks, with a strong focus on social engineering. The field of urban governance requires specialists and professionals able to cope with the challenges that directly concern them but for which they are poorly or not at all prepared.

These include: resistance to official projects, increasing numbers of conflicts, reduced resources for public action, changes in the legal and financial frameworks (deregulation), evasion or abuse of general rules by citizens and politicians, insufficient physical infrastructure to cope with local socio-political crises, emergence of new urban planning operators (voluntary associations, private operators, etc.). There is also in some countries the emergence of urban “mega” projects financed by the sovereign wealth funds of oil-producing, Asian and emerging countries, which create a form of extraterritorial urban production. In other words, professional planners do their jobs from day to day at the centre of questions of regulation and consequently of urban governance, at various territorial and institutional levels. They have to contribute to the preparation of decisions, discussion, adjustment, implementation and evaluation at a time when competition is strong from a larger number of players and a reduction in (or absence of) debating arenas for these subjects.

Opening up the expertise developed in multilateral institutions requires involving institutional players, researchers and professional organisations in international conferences. The experience established over ten years of the N-AERUS (Network-Association of European Researchers on Urbanisation in the South) is highly instructive in this area.

Furthermore, there is the fact that a number of countries have to some extent trained professionals in the field of urban development (planners and engineers, in particular), who are also faced with the same problem of governance, whether in constructing it (for example, in Mali the task was to design support systems for the 703 municipalities created in 1997), or in managing, jointly with international experts, urban development cooperation projects that transfer models that correspond to the project mentality. Situations may greatly vary between countries, projects and development cooperation agencies. To take

account of these problems, urban development cooperation needs to earmark resources for experience-sharing among national and international professionals, public and private experts. Wherever possible, French bilateral development cooperation should encourage North-South exchanges in this field. For example, Brazil's experience with participatory budgets, Morocco's with social engineering, and Vietnam's with arbitration in small-scale urban projects could be disseminated in these exchanges. The sharing of expertise, which is beginning to be practised in decentralised development cooperation, should be made systematic. In the case of projects implemented by major international operators, for example in urban services, when the development cooperation system intervenes with institutional support, the problem of expertise should be examined and lead to the definition of a code of conduct for urban governance, in order to maintain coherence with the other sectors of urban development (such as poverty reduction and existing cross-subsidy systems).

However, these proposals need to be supported and made sustainable by a proactive policy for training, both initial and in-service. Attempts have been made in most urban planning higher education establishments, some architecture and planning institutes and some university technology institutes, to train future professionals in urban management, the urban management of contractors and urban contract work. But the awkward problem of transferring these professional practices to developing countries is not often addressed in existing courses. Not least, for some years now in France and elsewhere, the field of development has had its position in higher education reduced considerably. As a multidisciplinary subject par excellence, it has suffered from the reorganisation of courses by discipline. Since the field of development has been reduced, so the specific field of urban development has been reduced proportionately.

Questions need to be asked about the withering of university and professional training in African and the contraction of recognised centres of excellence to a small number of countries (South Africa). This withering is partly due the lack of continuity in outside development cooperation, but recent initiatives also need to be examined concerning the topic of urban governance (for example, the “training” FSP in the urban field in Ethiopia).<sup>32</sup>

Although the field of urban management in developing countries raises problems of training as we have outlined above, what of urban governance, which covers a much wider area, urban policy (involving States' sovereignty) and implementation, in line with mechanisms suggested by development cooperation, an area that goes from economics to sociology and anthropology?

More broadly, it is the training sector at all levels, together with the production of knowledge by research, that can address this concern, which by its innovative nature deserves close attention. This means courses at various levels, from initial training in higher education and specialisation, where trainers, professional and experts are trained, to in-service training systems, qualifying for diplomas, for the various operating levels. There are enough educational establishments in France that could provide this training. However, financial support agreements between the French development cooperation system and some of these establishments need to be negotiated so that course content is consistent with the system's governance objectives, and the agreements include partnership agreements with similar establishments in countries where the cooperation system develops this theme.

### *Back to urban planning, strategic planning*

In operational terms, the World Bank does much to encourage the use of strategic urban planning, inspired by practice in Barcelona. It was thought that this model would resolve all contradictions in development, because all the leading stakeholders had been brought together, from civil society (district

32) This FSP, committed for four years at the end of 2006, is intended to build the capacities of Addis Ababa University, with support from Paris X-Nanterre, particularly in the field of the management of urban growth, and will lead to the creation of a master's degree and a doctorate.

organisations, trade unions, voluntary associations) to public and private economic partners and experts of all sorts, all of them under the responsibility of the elected local authority, in order to implement a major project to development the urban socio-economic system. In the 1970s, Barcelona had a strong municipal government with democratic legitimacy after the years of dictatorship, and a host of progressive experts deeply involved in urban struggle under the dictatorship, supported by a civil society legitimised by its own struggles. For Jordi Borja, one of the designers of this type of urban planning, “a strategic plan is the definition of a city project that unites public and private analyses and actions, and established a framework for mobilisation and cooperation for urban social players”. Designed after a participatory process “that defines the content, it is a political contract between public institutions and civil society”. On the basis of extensive social consultation, the city project is legitimised by the democratic framework of its design. It is backed by a major capacity to mobilize financial resources which, in Barcelona, were of public and private, national, regional and local origin. Consequently one may consider that the contract was relatively well balanced, the interests of the various social groups relatively clear and recognised, and that there was an equilibrium between the objectives of redistribution and growth.

What has been presented in recent years as a model of planning is certainly of great interest, particularly when it is consistent with the creation of democratic governance systems. But it is noticeable that the World Bank has chosen strategic planning as the best way of making cities fully competitive within a world of global free trade. In fact, strategic urban planning, after being eclipsed while project urban planning was in the ascendancy, is now considered to be the perfect method for urban planning. This means selection procedures for the cities that wish to obtain the World Bank's support to finance the projects contained in their strategic plans. It also means that confirmed and emerging metropolises are objects of great interest for this selection. Although the idea of partnership does exist in these strategic planning, its content, and consequently the contract that makes it a long-term agreement are defined top down by the most powerful partners, namely international corporations. The poorest partners may be able to speak, but they are instrumentalised and mobilised in the interests of a free-market model of development and their individual fates depend on community development and NGOs. As for the local elected officials, their room for manoeuvre, already limited by the strength of the investors, is in addition imprisoned by national, urban and macro-economic strategies that bind them further.

These critical remarks are intended to alert the decision-makers in development cooperation to the idea that strategic planning as a contractual instrument for scoping urban development may be of indisputable value in setting up democratic urban governance extended to the city, on condition that the development strategy of which it is a part is clearly spelt out. We further recommend that this type of planning is implemented in those situations where the equilibria mentioned above are present, and where there are possibilities of endogenous financing for urban development. The urban planning instrument that is strategic planning cannot be isolated either from the development policies it serves or from the actual urban environment to which it belongs.

In this chapter, we have chosen not to formulate immediately operational recipes, but wished to highlight what we thought important to consider before action, and what needs more in-depth examination, although we have gone as far as we could to contribute to the bases of an urban governance strategy. To support action, it is important to pay close attention to overhauling expertise.

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The senior academics of the MAEE's motivational Programme of Urban Research for Development (PRUD), 2001-2004, wished to make available to policy-makers the results of their research on urban governance. Although the government of cities was a focus of concern in the PRUD research, it was not formulated in terms of urban governance.

This publication therefore presents a systematic reinterpretation of the PRUD research for that purpose. Why look at urban governance? The topic, and indeed the term, introduced into the field of international development aid in 1991 by the World Bank, are intriguing. What was hidden behind the many statements that have been made since the launch of what might appear to be a concept, a doctrine or a new operational form of development management in urban areas? The PRUD researchers have asked the question: is governance a conceptual strategy to achieve the institutional control of development, and the disassociation of the authority of the State from the act of governing? Is its purpose to show that effective government is only possible in a democratic environment under the rule of law? To answer these questions, our work addressed five themes:

- Urban governance, representative democracy and participatory democracy. Brief comparisons between Latin America, Africa and Asia. Questioning practices.
- Urban governance: democratic issues of the production and management of urban public services in the current phase of increasing involvement by the private sector.
- Decentralisation and local government; the territorial legitimacy of urban development.
- Metropolisation and urban transition, with a special reference to South-East Asia.
- Urban dissidence and secession.