The Role of Municipal Policy in Urban Development

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Urban management is generally a comprehensive paradigm, referring to the development and governance of urban settlements, whether we are talking about small towns, large cities or metropolis. The core of international activities on urban management is the Urban Management Programme (UMP), set up and funded by the United Nations Development Programme (UNDP) together with external support agencies and undertaken jointly by the United Nations Centre for Human Settlements (UN Habitat) and the World Bank. The aim of the programme is "to strengthen the contribution that cities and towns in developing countries make towards economic growth, social development and the alleviation of poverty". The UMP is trying to develop and promote the adequate policies and tools for city finances and administration, land and infrastructure management, urban environment management and urban poverty reduction.

Considering the wide scope of the programme in various regional, sub-regional and local contexts, the UMP has not been directly concerned with the elaboration of a rigorous conceptual definition of urban management.

Municipal management can be defined as a sub-category of local public administration, referring to those local administration authorities managing the entities defined as municipalities. The meaning of this term varies from one country to another, but most specialists agree that a municipality must have the following characteristics:

- is an area delimited by well defined administrative boundaries;

- has a predominantly urban character;

- is usually governed by a local body of elected authorities, at a lower administrative tier (than county/regional or national administration).

While the scope is restricted by defining a clearly delimited administrative area, the concept of municipal management is seen in its broadest meaning. First, the corresponding municipal management is applicable to cities and towns of all sizes. Secondly, the term "municipality" is used to describe both the municipal area, and its governing body, but the adjective "municipal" (in municipal management) includes more than the administrative role of any municipal body and includes all active stakeholders within the municipality, like private corporations, informal economic pressures, civil society, other institutions, community organisations and all those who live and work in a municipality and exercise individual, civic or corporate roles. Finally, the tern "management" is not restricted to routine administrative operations or technical tasks of the municipal administration departments.

Municipal management is the *modus operandi* for immediate tasks, but also the long term planning – including a decision making process and a negotiation and agreement process, a good administration and an ongoing formulation and adaptation of a general direction for the overall development of the municipal area as physical entity. Moreover, it includes the development of social and economic activities supporting its existence and its effectiveness for the wellbeing of all the inhabitants.

This public or joint responsibility justifies the existence of a municipal government and administration. Thus, municipal government is not the simple disaggregation of higher government tiers, or a bureaucratic body with full powers over that area of jurisdiction. In the context of development, municipal government takes its legitimacy from the aim it has to achieve, its mandate from the policies it has to implement and its support from the effectiveness in serving the citizens and turning political intentions into reality. Municipal management is the means by which the government – in its current restrictive meaning – can achieve participative and sustainable development.

A. The aims of municipal development

Despite huge differences in the economic, social and political circumstances between cities, there is a general consensus on the overall aims of a municipality. These aims shouldn't be confused with the main features of proper management (such as efficiency, transparency, accountability and participation); the development aims of a municipality can be included in **three broad categories:**

(a) ***improve the living and working conditions of the population*** inhabiting that municipality, while paying special attention to the underprivileged population in order to consider their needs and protect their rights and interests;

(b) ***promote a sustainable social and economic development;***

(c) ***improve and protect the physical environment.***

Although the three categories of aims are different in nature, they are strongly connected. The living conditions of the most underprivileged citizens cannot be improved on the long run unless the municipality is able to implement a productive investment plan, creating jobs and opportunities for generating income. Economic growth is generally limited by improper urban infrastructure, ineffective public services, or reduced productivity due to the precarious health of the workforce. The decline of the physical environment has disastrous consequences on the health and wellbeing of the citizens, but also on the capacity of the municipality to sustain the social and economic development and to attract strategic foreign investments (which are increasingly relying on the attractiveness of the environment, infrastructure and services operation).

B. The city as a resource

Most municipalities, whether they are rich or poor, large or small, are facing problems of similar nature. These problems reflect the basic needs of every citizen: a secure and adequate source for income generation; proper housing, health care, education, safety and an environment favourable to daily life and work.

Despite the fact that many of these needs can only be satisfied through actions and activities that are beyond the means and direct control of the administration, the extent to which these needs are met will influence the public perception of the administrative performance. For example, the poorest urban population think that only "the authorities" are capable of meeting their basic needs, which cannot be otherwise satisfied considering the economic situation.

Nevertheless, the role of municipal authorities – as a source of satisfying the basic needs – is becoming less important. First, the cost of land, infrastructure, building materials, equipment, housing and jobs (which are key elements for the development, maintenance and operation of human settlements) had increased significantly, both in poor and in rich countries.

Two main factors have determined these cost increases in developing countries: (a) the rapid growth of the population and (b) the stagnation or reduction of municipal budgets. The mix of these factors is creating a dramatic and widening gap between the growing needs and the limited municipal resources.

There is another factor influencing the situation. Too many municipalities from developing states are mismanaging the resources and are often using them for purposes other than the public interest. There is a correlation between the "level of development" and the capacity to assess, mobilise and use resources in the interest of the public. Municipal budgets – which have already reached a critical threshold, on the whole and *per capita* – are managed and engaged in an improper and inefficient way, without putting enough effort into the assessment and mobilisation of resources.

Human settlements, especially large cities, are bid consumers of raw materials and energy, but their efficiency in using these resources has not reached a sustainable level. Moreover, the traditional lack of concern for waste management had produced serious problems. Ideally, human settlements have to be managed in a way that allows waste from one sector or process to become an input into another process, so that at the end of the production or consumption cycle, the final waste can be recycled or reused.

Combining resource conservation with an orientation to less polluting exploitation can lead to significant efficiency improvements in the use of resources and to a better quality of the urban environment, through the following measures:

(a) *Production of environmentally friendly energy.* It is possible to identify less polluting processes for energy production: coal gasification, natural gases, biomass electrification. This latter option is applicable especially in rural areas, but its use on a large scale in rural areas peripheral to municipalities can significantly reduce the need for conventional sources of energy. Solar energy technology for household use has already been adopted in several developed countries, being very well suited for warm or tropical climate areas.

(b) *Reduction of excessive consumption.* There are many examples of improper use of natural resources, especially fuel and water. Proper incentives and regulations for using low energy consumption devices could be introduced, in order to encourage fuel efficient urban transportation, to discourage the use of drinking water (which is drastically limited) for household cleaning purposes. The use of traditional fuel, such as coal, which is still heavily employed in developing countries, could be reduced by producing the fuel efficient burners. This objective can be reached at a narrow scale and in an informal sector. All these measures should be supported by public awareness campaigns organised by the municipality to educate consumers' behaviour towards a wiser use of resources.

(c) *Recycling.* This can become an important revenue generating activity. In environmental terms, recycling means treating waste as a possible resource; it also entails preserving primary natural resources for essential needs. Recycling undrinkable water may avoid random use of drinking water for other purposes. Organic components of solid residue may be reused for various purposes, including urban agriculture. Maximising the reprocessing of waste reduces the need for garbage disposal units, preserves natural resources – including energy – and decreases the raw material imports.

The cities are not just areas where people live and work. They are part of the heritage we receive and pass on, visual expressions and symbols of the culture, history and tradition of a population. In many cities, especially in the developing world, this richness is often ignored, neglected or destroyed. Architecture historic artefacts are left to decay beyond any possibility for restoration or are replaced by buildings questionable in quality and impact on the urban environment as a whole. Inner city areas rich in character or attractiveness are destroyed or deteriorating. Open spaces, such as parks, gardens, or water ways are changed, transformed or destroyed by intensive residential and commercial development. The so called "ghettos", part of the recent urban history, are being systematically demolished for reasons of hygiene and modernisation.

All of these city elements are intrinsically valuable resources for the city as a whole, for the general populations, for the wellbeing and financial strength of the entire community. They are included in the concept of sustainable development, because they are the expression of the values to be preserved for future generations, as proofs of the urban history and symbols of civil identity.

If sustainability is understood as referring to the preservation of resources in the widest sense, these historic and cultural resources are entitled to protection as much as the key natural resources needed for supporting life.

The municipality shouldn't consider these values as a burden, but rather as a resource. Historic buildings which are not suitable for residential use may be restored and turned into cultural facilities or community centres with the support of non-government organisations. Older, derelict neighbourhoods could be rehabilitated with the aim to preserving the complete mix of residential, social, cultural, commercial and other functions vital for the sustainability of the inner town. Open spaces could be improved and preserved with the active involvement of the citizens and local councils, for example. Urban spaces of a special significance or interest may be closed for motorised traffic, providing clear advantages for both inhabitants and business enterprises. The people living in "ghettos" inside the city may not need relocation, if participative redevelopment approaches are taken, such as the land division concept implemented in Bangkok.

C. A principle for municipal policy: turning opportunity into action

City officials (local councillors, mayors, etc.) are usually elected on the base of a political manifesto but also based on their skill for convincing the voters they are capable of turning their programme into outcomes. Once a politically elected local council starts its administration, these general objectives should be translated into policy measures, such as a statement of long and short term objectives to be delivered by the administration during its mandate.

The scope and prioritisation of policies depends on the institutional framework – including the relations between central and local authorities; on the quantity and type of financial resources which can be mobilised inside the municipality and attracted from the outside; the influence of pressure groups and conflicting interests within the city; as well as the pressure and urgency of outstanding issues (whether these are infrastructure development and service provision to the disadvantaged areas, or extension of waste management services, or any other issue).

Nevertheless, most of the time, municipal policies – where they exist – are nothing but exaggerated and pretentious political rhetoric. They are often formulated in such a way to please everybody or to displease al little power groups or citizens as possible, without considering their expectations. Being usually formulated by technocrats and the political elite, the policies exclude by definition the participative potential of the majority of social stakeholders operating outside the municipal administration, especially regular citizens. With the development of "democratisation" of local authorities, the political necessity require more participative arrangements to allow municipal policy to be build from a clearer perception of people's priority needs, a better awareness of the available resources (people, revenues, assets) and a more careful evaluation of the participative support that can be generated by mobilising all the other municipal stakeholders in community development and investment services, from an early stage of policy formulation. It is well known that consultation is a complex and time consuming process, often leading to frustration, but only a participative approach can allow the municipality to develop a sustainable policy framework, identifying the actions which can be realistically implemented in the context of the three development objectives suggested earlier: improving living and working conditions, promoting social and economic development and improving the physical environment. This is the meaning of "the concept favourable to municipal policy" applicable to municipal management.

In order to reorganise the decision making process, the following measures have to be taken into account:

1. ensuring consultations with all municipal departments, as well as with other government bodies, in order to assess all strengths and weaknesses, to identify the main problems, priorities and opportunities for development as they are perceived by these stakeholders;

2. consulting with representatives of all actors involved in local development, including the private sector, in order to identify the problems, priorities and opportunities for involvement and partnerships.

This is not an easy process. Consultations inevitably lead to increased expectations and there is a risk that the better organised and stronger interest groups will take over the process of municipal policy making. One way to prevent this situation is to balance the participative process by supporting those less capable to articulate their priority needs and potential contributions, i.e. the low income groups and peripheral inhabitants. Moreover, special attention needs to be granted to women's contribution in the decision making process, in the role sharing in the context of policy and management and more generally in reaching the municipal development objectives. By encouraging this particular type of dialogue, the administration has the opportunity to defend its position on what can and cannot be done with the available resources, to gather important information on key policy issues requiring immediate solutions and to later identify common strategies to be implemented.

Participative processes should not be seen as single efforts. If this was true, they would rather subvert that support the credibility of the administration. Consultation is a permanent feature of proper management, but it can only be useful and successful when undertaken regularly and in an institutionalised framework, through permanent participative arrangements in the most important stages of the management policy development: definition of the policy itself, planning, implementation, monitoring and evaluation. By setting the consultation mechanisms and organisational arrangements, policies and programmes can be reformulated and refined after continuous assessment of their effectiveness in reaching the intended outcomes.

D. Participative organisational arrangements for strategic planning

While municipal policy has a predominantly political character and usually includes overall aims, its transposition into an explicit programme with well defined specific objectives, budgets and deadlines is another key function of the municipal management. Nevertheless, the formulation of objectives cannot be separated from the strategies needed to reach them. This is where the "concept favourable to municipal policy" comes into play again. If a specific political objective can improve the operation of the municipal road network, or parts of this network, the strategic question is: what is the most effective way to do it? To what extent can the road maintenance services be privatised, or decentralised to the level of county or local community? What are the advantages and disadvantages of procuring new equipment, compared to those of contracting out to specialised companies? How is this issue related to the wider issue of transport or traffic planning?

1. From a planned city to a city planning. Cities are not built by planners; they are built by people. The new vision of urban management must consider the city for all and try to structure its efforts to contribute to the energy, creativity, democracy and mutual support existing among the urban majority. There is a need for a strategy to convince the specialists – designers, administrators, engineers, etc. – that it is in their own interest to give up the old urban administration style (which included only the opinions of the leading minority) and adopt a new style and concept of urban management.

The negative experience of conventional physical planning, in the past and now, has determined a large number of intellectuals and practitioners to consider the possibility of eliminating the conception and implementation of design from the development agenda. Physical planning, as it is currently executed in the most developed countries, has been considered highly ineffective in terms of time and financial resources, because it is undertaken by technical departments disconnected from the real world, both in terms of scope and form, which are restricting rather than finding new opportunities. These departments tend to ignore real life processed or problematic situations, such as the operation of the formal and informal sectors or the realities of "illegal" development. In many

cases, the adoption and enforcement restrictive regulations have strangled economic activities, widened disparities, reduced effectiveness and fragmented urban functions.

At the same time, uncertainty about how to interpret the new urban management paradigm led to the opinion, shared by many, that planning – in the original sense of organising resources to meet specific objectives – has been replaced by management, (wrongly) understood to be either a purely administrative exercise ("administrative management"), or a quick way to keep up with recurring problems and events ("crisis management"). The two concepts are inseparable: there can be no management without planning and at the same time without management planning is nothing but a wish list completely separated from reality. Thus, the direction of change is from "a planned city" to "a city which is planning"; from a product (i.e. a graphic image of a desirable future produced by a specialised technical department) to a process (i.e. consultations, initiatives and actions through which a city is defining its current situation, is identifying problems and opportunities, is developing a coherent vision of the future and is putting it into social, economic and physical objectives sustained by clear and realistic strategies).

Despite the obvious advantages of a participative approach and the crucial improvements it can generate on all aspects of municipal management, its introduction is often hindered by resistance and scepticism from those who have a general tendency to oppose change. It is important for the visionary politician, administrator of municipal manager to be aware of the possible drawbacks.

Strategic planning is a successful tools in the private sector, used especially by large corporations with budgets sometimes larger that those of small countries. Every time it faces changes, the natural tendency of any organisation is to find valid reasons why change is unrealistic, too complex, too expensive or simply unpractical. Some of the possible reactions and obvious arguments against introducing strategic planning are presented below, without claiming that this list is comprehensive.

• *Strategic planning is too complex.* Strategic planning is, indeed, more complex than the planning exercises done by politicians and specialists of municipal departments, who are isolated from the people they represent. Nevertheless, the problems related to the lack of a participative approach will become more complex and difficult to solve than the organisational efforts needed for creating a working mechanism for participation into planning.

• *Strategic planning is too expensive.* Strategic planning is a process, not an institution. It involves time and thorough thinking, not necessarily financial resources – and the costs of time well spent and thinking in the right direction, compared with the costs of a wrong decision, are negligible.

• *Strategic planning can distract attention from urgent actions.* It has been said that one of the most common weaknesses of institutions is to put aside essential long term issues to deal with urgent problems. These immediate problems could be avoided by collective, participative thinking beforehand. Unilateral, hasty decisions taken on an intuitive or political basis with a short term view will ultimately lead to mistakes and wasted resources.

• *Yes, but not now.* The same reasons related to the urgency of an undertaking justify this approach, which is an excuse for perpetual procrastination. There are many actions related to participative planning which can be done immediately, are consuming relatively little time and effort and can be extremely useful in the future. They include an internal assessment of the weaknesses and strengths and a broad overview of the potential stakeholders of municipal management.

2. Key elements of planning. The main advantage of participative planning is that it establishes a permanent connection between objectives, means (i.e. human, material, financial and technical resources) and strategies (ways of identifying, combining and using the means in order to meet the objectives).

Participative planning is not a product, but a process. Therefore, the means and strategies have to be continually adapted in light of the threats (e.g. difficulties in attracting the expected quantity of

financial resources, or unforeseen events) or opportunities (e.g. unexpected support or new resources available). Nevertheless, participative planning should be based on a number of key steps:

(a) confirmation of objectives;

(b) resource assessment;

(c) development of plans and programmes;

(d) monitoring and evaluation.

It has to be repeated that all these stages are components of a cyclic process.

- *Confirmation of objectives.* The first function in strategic planning is to verify the feasibility of the preliminary policy objectives against the available and/or planned resources. It is nevertheless interesting to notice that, if done in a conventional way, this verification will produce to misleading conclusions in terms of objective assessment of the feasibility. If, for instance, one objective is to improve water provision and sewage infrastructure in a poor neighbourhood and the resource allocation approach excludes the re-direction of existing municipal resources, the readily available conclusion is that the objective is not feasible.

An inappropriate and limited approach would result in the exclusion of a priority objective. If such an objective is based on an adequate perception of the contribution of the inhabitants to capital savings and cost reduction for infrastructure maintenance, of the technical features of the necessary infrastructure and of the revenue from taxes on water consumption and other related services, the assessment of feasibility implies a whole new dimension.

- *Resource assessment.* In a strategic perspective, resource assessment means more that just gathering the assets, human and financial resources existing under the direct control of the municipal administration. These resources are rapidly diminishing when assessed on a *per capita* basis and no objective can be addressed relying solely on these means.

Often, the municipality has the information on the undeveloped land within the city. In the worst case, the municipality has inadequate or incomplete information on the location, current function or ownership transactions of this land. In all of these cases, the potential of this asset cannot be used for identifying the public benefits of the real estates already in public ownership, for other types of development based on public and private joint action and for procuring the land to use it subsequently for community services, infrastructure or transport.

Private land can be another major resource for municipal development. Participative planning in this area is linked to how to encourage social, economic and environmental development through public-private partnerships capable of reconciling the need for private investment in order to cover the housing and infrastructure requirements for different income groups. The schemes for changing the use of land have been tried successfully in many developed and developing countries.

In poor communities, the participative approach should be based on the assessment of local resources in terms of planning and investing on behalf of that community. Experience has shown the large willingness of low income inhabitants to invest time, money and work into improving their dwellings and infrastructure when reassured that they can consolidate the land or dwellings they themselves have build. Moreover, many infrastructure improvement activities can be delegated to the community, thus reducing costs, creating jobs and skill development, encouraging participation and the best solutions for satisfying the needs of some citizen groups.

- *Development of plans and programmes.* The objectives agreed have to be transposed into plans and programmes. These will take different forms in different contexts, but have to share common principles: realism, clarity and accountability.

Realism doesn't exclude vision. All good plans and programmes aim for a better vision of the future. If the current situation is not satisfactory, a projection in the future of the existing approaches

will only lead to a worse situation. In a participative context, realism means directing courses of action and defining specific activities and tasks based on a strong commitment of all municipal stakeholders, to contribute to the implementation of the plans and programmes. Participation means more than just externalising certain preset tasks to individuals outside the administration, or looking for different opinions in the process of municipal policy formulation.

Many nations rely on the central governments to provide basic services. Yet, the inefficient organisation of this provision from the national capital city and the heavy bureaucratic layers separating the providers and the customers of those services became evident. Central planning has been traditionally linked with local planning through sectoral investment plans or line ministries. Nevertheless, one of the most important reforms in urban planning, aimed at strengthening coordination and improving effectiveness, involves the integration of all capital investment plans from all sectors at local level. For example, the Integrated Urban Infrastructure Development Plan (IUIDP), introduced in Indonesia with UN-Habitat support, produced coordinated sets of local investment projects for roads, water provision, land development and environment, prepared at local level and submitted to national planning authorities for approval and financing.

Clarity means that the programmes and plans must be understood in a common manner by all those involved. This principle is not that difficult to secure when the plans and programmes are formulated and agreed with the participation of all stakeholders. Clarity also implies an unequivocal set of rules and regulations that have to be followed, adapted to the individual circumstances of a municipality. The current management environment is overloaded with intentions of de-regulation. There are two major explanations for this principle: first, excessive regulation constrain the performance of the non-governmental sector; secondly, the overall regulatory framework in most municipality imposes excessive standards on low cost housing and infrastructure, which are vital for the survival of the less privileged.

There are numerous examples of excessive regulation. Rigid rules for parcelling residential areas discourage development and are intrinsically prone to being bent. The regulations on getting an authorisation for operation or the approval of working hours for small and medium enterprises and commercial businesses could be relaxed to everyone's advantage. That does not imply the public authorities should give up on their powers. Regulation is a key function, sometimes synonymous with authority. But there can be good or bad regulations, reflecting the type of authority. An improper regulatory framework usually favours the few in the detriment of the many. The more strict and realistic the regulations, the better incentives they are for punishing the lack of equity, ineffective practices and corruption in the administration. If the regulatory framework for buildings and environmental protection is not enforceable in practice, the very substance of municipal management, but also the credibility of local authorities are undermined. In these situations it is essential to review the regulations and to adapt them to the various circumstances in agreement with all actors involved, to reformulate the frameworks and measures and to apply the in a fair and impartial manner.

- *Monitoring and evaluation.* All stakeholders involved in the definition of municipal policy should be accountable for it, not just the municipal administration. Monitoring and evaluation is a key feature of strategic planning. Regular monitoring and assessment of the plans and programmes determines the adjustment of the strategy to be followed and correction of the courses of action for those programmes which are ineffective or counter-productive.

The mechanisms necessary for the systematic monitoring and evaluation of the outcomes of municipal action on the social and economic status of the population, as well as monitoring the socio-economic trends within the municipality have to be agreed with all the direct beneficiaries – individuals or community – of the policy.

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