URBAN GOVERNANCE AROUND THE WORLD

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with Diana H. Varat

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PREFACE

BLAIR A. RUBLE AND JOSEPH S. TULCHIN

As Richard Stren notes in his introduction, large metropolitan areas are now buffeted by countless forces such as globalization, growing diversity, international migration, increasingly antiquated and inadequate systems of governance and public finance; all while continuing to add tens-and-hundreds of thousands of new residents to their populations, and hundreds of square miles and kilometers to their built environment. The end result more often than not has been the emergence of urban mega-regions that remain far too complex to be penetrated by academic and policy analyses predicated on assumptions from past eras. Under what conditions can cities achieve sustainability, which Stren and his Canadian colleague Mairo Polese define elsewhere as "policies and institutions that have the overall effect of integrating diverse groups and cultural practices in a just and equitable fashion."[1] The central problem confronting cities on every continent is that of governance.

The workshop summarized in this report represented an attempt to initiate an international conversation about those issues which lie at the heart of the urban governance conundrum. Participants embraced a variety of perspectives from North and South, East and West; from the developed, underdeveloped, and misdeveloped worlds; as well as from a variety of academic disciplines and practical experiences. Their collective assessment was that the challenges confronting the world's cities are staggering. Any initial reading of the pages to follow can only move one to despair. Racially-divided Johannesburg, desperately poor and crowded Bombay, recession-ridden Tokyo, chaotic Manila, and meglomaniacal Moscow hardly seem to point the way toward the urban sustainability favored by editor Stren.

A second, perhaps closer reading of the reports compiled from virtually every global region, reveals an inventiveness and energy that can only provide grounds for hope. Experiments—many successful, though some not—with mechanisms which incorporate residents into decision-making over their own fates are changing the urban environment in a myriad of

positive ways. A new grassroots attitude evident at the micro-level has begun to change neighborhood life—and the life of neighbors with it—for the better. Understanding the "problem" of urban governance at the current moment demands a deep commitment to norms and values which accent the ability of the individual human being to affect change in his or her immediate community. Like proverbial grains of sand being transformed into a scenic beach, no single initiative appears significantly to ameliorate a growing mega-urban environment that often stretches for hundreds of miles bringing rich and poor, kinsman and enemy, men and women into immediate and often jarring proximity. Together, as one can immediately discern from the pages to follow, they point instead toward a sensibility rather than a cookbook of best practices, a sensibility that may be as effective in small and medium-sized cities as in huge metropolises.

Each of the articles to follow views cities as being rooted in a complexity that is, itself, the product of thousands of human relationships. Custodians of urban communities—whether modest in size or mega-regions—must accept complexity and remain humble in ambition, as success is transitory and financial resources finite. Alliances among the disparate groups who inhabit a city are among the few building blocks at the disposal of urban managers over the medium-to-long-term. Urban governors in all their variety must adopt pragmatic, process-oriented approaches to managing their communities rather than rely on a simplistic application of recipes gleaned from a "how to" manual. The achievements of cities and the success of community participatory governance described in the pages to follow transcend time and place. They perhaps have never been more suited to the task of leading cities to brighter futures than in the vast and complex urban mega-regions of today.

NOTES

1. Richard Stren and Mario Polese, "Understanding the New Sociocultural Dynamics of Cities: Comparative Urban Policy in a Global Context," in *The Social Sustainability of Cities: Diversity and the Management of Change*, Richard Stren and Mario Polese, eds. (Toronto: University of Toronto Press, 2000), 3-38.

ACKNOWLEDGEMENTS

INTRODUCTION

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T he articles and shorter "snapshots" in this book are all—in one way or another—about the emergence of both a new reality and a new challenge in the world of development. That new reality is the large urban region (called by one scholar the "city region"),[1] and the new challenge connected with it is that of governance. Show me a large metropolitan area almost anywhere in the world—in both the industrialized north and the developing areas of Africa, Asia and Latin America—and I can almost guarantee that I can show you a governance system that operates both ineffectively and inequitably. If the growth of huge metropolitan areas in the world looks like an immutable force, then the structures of governance we have erected to respond to the problems of these areas look like Godzilla.

One of the central facts of development and social change in the so-called "south" is rapid urban growth. While the growth of the urban population (which includes the product of both internal growth and rural-urban migration) has been slowing down in the largest cities over the last decade (in comparison to more rapid growth in intermediate-sized cities), the growth of cities in the south still takes place at a far faster rate than it does in the north. If we look at the rates of growth of southern and northern cities, the ratio, on an aggregate basis, is about five to one. Thus, while the overall urban growth level (based on compound net population increases) in developed countries was about 0.8 percent per annum in 1990-95, the figure was around 3.5 percent per annum during the same period in developing countries.[2]

The distribution of this growing urban population is very uneven. By the turn of this century, about forty percent of the people in the less developed regions of the south were living in cities, while about three out of every four lived in cities in the north.[3] This gap is gradually narrowing as the south urbanizes, but it is changing unequally. Latin America (espe-

cially South America) and the Caribbean constitute the most urbanized region of the south, while Africa and parts of Asia (particularly the south-central, southeast, and eastern parts of the region) lag considerably behind. In general, the least urbanized parts of the developing world are urbanizing at the highest rate. And the countries which are urbanizing most rapidly tend to be the poorest. This applies *within* as well as *between* regions and continents.

A final element to complete this (admittedly too rapidly drawn) picture has to do with the size of cities. As Mattei Dogan and John Kasarda put it over a decade ago, "[t]he world is becoming more and more a world of giant cities, and these cities are increasingly located in less-developed countries."[4] Whereas in 1950 only one city—New York—had a population of 10 million or more (thus qualifying it to be called, in current jargon, a "megacity"), by 1995 there were 14 cities of 10 million or more, 10 of which were located in Latin America, Africa and Asia. By 2015 "it is expected that 22 of the 26 mega-cities will be located in the less developed regions and the 4 other cities in the more developed regions."[5] As these cities grow in size, their economic, social and political influence also accumulates.

The physical and social form that best describes these growing megacities—in both the north and the south—is the city-region. In southeast Asia, the morphology of these new regions has been likened to a meeting of town and village in an increasingly diverse functional and spatial intermingling:

> A distinguishing feature of recent urbanization in the ASEAN countries is the extension of their mega-cities beyond the city and metropolitan boundaries. This process has particularly affected the largest cities but it is also now occurring in the largest secondary ones...Metropolitan regional growth tends to sprawl along major expressways and railroad lines radiating out from the urban cores, and leapfrogs in all directions, putting down new towns, industrial estates, housing projects, and even golf courses in areas hitherto agricultural and rural. In such areas, regions of dense population and mixed land uses are created, in which traditional agriculture is found side by side with modern factories, commercial activities, and suburban development. T.G. McGee has termed these *desakota* zones, drawing on the Bahasa Indonesia words for town and village.[6]

Economically, these mega-urban regions are very important both for their national economies, and within a wider and more globalizing context. Their productivity and economic performance are raised by urban concentration in two ways, according to Allen Scott and his colleagues:

> First, concentration secures overall efficiency of the economic system. Second, it intensifies creativity, learning, and innovation both by the increased flexibility of producers that it makes possible and by the enormous flows of ideas and knowledge that occur alongside the transactional links within localized industrial networks...The films of Hollywood, the semiconductors or Silicon Valley, the banking and financial services of new York and London, and the fashions of Paris all represent the outputs of clustered flexible production networks whose fortunes are strongly tied to world-market demand. Other examples include mechanical engineering in Baden-Wurtemburg and Bavaria, the small-firm craft-based industries of northern Italy, the jewelry industry in Bangkok, or furniture production in Guadalajara, Mexico. In this manner, global city-regions come to function increasingly as the regional motors of the global economy, that is, as dynamic local networks of economic relationships caught up in more extended worldwide webs of interregional competition and exchange.[7]

As large cities grow in developing areas, the needs of their populations for ordinary services—such as drinking water, sanitary services like trash collection and sewerage, roads, housing, public transport, education and health—become very insistent. Satisfying these needs must be understood in the context of two other major trends in the development of urban life. One of these trends is an increasing tendency toward income inequality and social fragmentation; another trend involves the decentralization of key powers and functions from national to municipal governments, at the same time as both civil society and new local institutional arenas become active in the involvement of citizens in the governance of their immediate physical and natural environments. This combination of both observed and felt inequalities, on the one hand, and, on the other hand, increasing politicization of urban questions at the local level has raised, in the minds of some commentators, questions of political stability. Are large cities like-

ly to be the triggers of future social explosions? More practically, can they manage themselves and deal with their problems without severe conflict between and among so many social, economic and ethnic groups all contesting the limited resources necessary for their everyday survival in an environment of scarcity? In developing his argument that much of the developing world is moving from order into anarchy, Robert D. Kaplan singles out the factor of urbanization:

> The 21st century is going to be the first century in world history when more than half of humanity will live in cities. Even sub-Saharan Africa is almost 50 percent urban. Urban societies are much more challenging to govern than rural societies. In rural societies people can grow their own food, so they are less susceptible to price increases for basic commodities. Rural societies don't require the complex infrastructure of sewerage, potable water, electricity, and other things that urban societies have. Urbanization widens the scope of error for leaders in the developing world while simultaneously narrowing the scope for success. It is harder to satisfy an urban population than a rural population, especially when that population is growing in such leaps and bounds that governing institutions simply cannot keep pace.[8]

If we follow the logic of this train of thought, the largest metropolitan areas should pose the greatest challenge for order and political stability. At the very least, this argument suggests the likelihood that the largest metropolitan areas will harbor important movements of political opposition to the party or regime in power at the center. There is some evidence to support this hypothesis. Thus, in Kenya the municipal elections of 1992 and 1997 reflected a largely anti-regime sentiment; and both elections in Nairobi (the largest city) produced a majority of councillors representing opposition parties. In Mexico City, the PDR carried the municipal election in 1997 and 2000, in spite of the best efforts of the (then) ruling PRI. In Brazil, the most recent municipal elections in October 2000 produced left-wing majorities (as against the center-left position of the country's ruling party) in the three largest cities, São Paulo, Belo Horizonte and Rio de Janeiro. Political opposition may be one reason why central governments are notoriously reluctant to agree to municipal reform packages that involved significantly greater autonomy for their largest cities.

This political ferment at the urban level—particularly notable in large, metropolitan areas—has been both supported and reinforced by a virtual institutional revolution over the past decade. In many of the largest and most important countries of the developing world, political reforms have given more power and new legal dispensation to municipal governance as a vital partner in the total government system. In the Philippines, for example, following the country's new constitution in 1986, an important Local Government Code was passed by Congress in 1991 giving wide new powers and financial resources to local government units throughout the country. In Brazil, the constitution of 1988 dispensed new powers and functions to the country's 5,000 plus municipalities, along with the mandate that sectoral councils involving the participation of civil society groups be established in every municipality. In India, a constitutional amendment in 1992 freed the cities from permanent control by their state governments, determining in addition that the financial relations between states and municipalities needed to be revamped. In Mexico, a series of decentralization initiatives, beginning in 1983 with its most recent iteration in 1999, has left municipalities functionally stronger, more financially viable, with an established and guaranteed position in the constitutional hierarchy of the nation. And in South Africa, the country's new Constitution of 1996 contains a separate chapter (chapter 7) on local government. Among other requirements, local governments (including municipal governments) are to provide democratic and accountable government, to promote social and economic development, to provide a healthy environment, and "to encourage the involvement of communities and community organisations in the matters of local government."[9]

In the light of these issues—having to do both with the inexorable development of large cities, with politics and governance, and with institutional reform—what has been the experience of developing area cities, and what is the likely trajectory of future initiatives? These were some of the major ideas behind the "Workshop on Urban Governance in Major World Cities," held at the Woodrow Wilson Center on December 6-7, 2000. The present volume is a collection of studies and articles taken from that workshop. The chapters that follow are grouped into two sections.

The first section of the book presents a number of brief "snapshots" of urban governance in a number of different countries. In the first chapter, K.C. Sivaramakrishnan, describes the situation in Mumbai (formerly

Bombay), a city of some 18 million people. Looking at the city's severe problems of slum housing and urban transport, the author argues that the region has little political "clout" at the national level. But to solve even some of the city's problems will require strong political advocacy, combining a "vision" for the city with strong ties with local community groups.

In the second chapter, Koffi Attahi looks at some of the problems of health and sanitary administration in Abidjan, Côte d'Ivoire. In recent years, endemic diseases such as AIDS, malaria and tuberculosis have soared in the country. A recent experiment with community health centers in Abidjan has proven quite successful with regard to the equalization of services between the rich and the poor. These centers have been assisted by French cooperation through a program called *Santé Abidjan*. This program deals with the problem of equalization of facilities between rich and poor neighborhoods, a major social and economic cleavage in the city.

The third chapter, by Evelyn Levy, stresses the conflict over planning goals that has characterized the city of São Paulo over the decades since the 1940s. There has always been tension between the "pro-growth coalition" and the coalition promoting managed growth, inclusive public policy and participatory planning. But whichever group has the upper hand at any point in time (currently the emphasis is on inclusivity and participatory planning), the city will have to find a better solution to its problems of governance and metropolitan coordination.

Problems of appropriate governance institutions also bedevil the city of Kyiv, Ukraine. Regional governments (the "oblast" level) are oriented much more to the national than to the local level, and there is, according to Serhiy Maksymenko, very little political will to change the system. Local development (in this case in Kyiv) is not helped by the fact that municipal institutions have little capacity, and until recently local NGOs took little initiative on behalf of local communities. This situation appears to be changing, but only time will tell.

The second section of the book is composed of longer, more detailed articles on particular cities. The first article, on Johannesburg, South Africa by Steven Friedman looks critically at the new planning rhetoric of city officials and politicians. In this rhetoric, Johannesburg wishes to become "A Global City with a Regional Focus." At the same time as this exercise seems to privilege high-stakes business-oriented development, there is another level of discussion around equity and integration. The two lines of

planning, says Friedman, are not necessarily irreconcilable, as they come together at a higher level in a concept of "high modernism." With this integrating concept, it is possible, argues Friedman, that the currently fashionable and the more traditional goals of the planners can be brought together. The question is how comfortably these ideas sit one with another. The process of politics should ultimately lead to a better resolution of these philosophical inconsistencies.

A related argument, but in a more comparative context, is highlighted in the policy paper by Richard Stren. Here, Stren argues that the current obsession with competitiveness expressed by cities in both the north and the south has unanticipated consequences for poorer cities. When cities are poor, they cannot effectively compete with wealthier cities for overseas investments, nor, given high levels of social fragmentation, can they usually find a solid political base for progressive development. Cities in the south need help from their national governments, they need to involve more local stakeholders, and they need to find more support for elected local political leaders.

Moving to the local context of politics and governance in large cities, Aprodicio Laquian takes the case of Metro Manila. His analysis shows that, notwithstanding a highly structured system of government from the national to the very local level in Manila, the city region is still governed by a patchwork of agencies and governments. While powerful central government agencies and the regional government (the Metro Manila Development Authority, or MMDA) should have most of the power, in practice, people have strong loyalties to very local units, and there are strong pressures for local autonomy and decentralization of powers. This pattern is explored both historically, and from the perspective of local cultural values and practices. While many civil society groups are involved in development, the effort of NGOs is characterized by fragmentation and an uneasy relationship between government and civil society. The author concludes that the central government is still too dominant in public affairs; more transparency is definitely required. The MMDA needs more constitutional power, but in the end progress will require transcending the current localized and particularistic form of politics.

Underlying the theme of participation is a short policy paper by the Chilean scholar and activist, Maria Elena Ducci. Professor Ducci looks at the contradiction between citizen interest in the development of Chilean

cities, and the interests of the powerful government institutions that are in charge of infrastructure in Chile. Discussion of development plans and government projects urgently needs to be injected with a much stronger dose of citizen participation. Ultimately, no planning process will be totally free of opposition, but more participatory planning can avoid serious adverse reactions to planning decisions, which is too often the case at the present.

The next chapter, by Professor Ronald Vogel, deals with the largest urban region in the world—Tokyo with more than 30 million inhabitants spread out among 11 prefectures. In spite of taking very elaborate measures, central government and Tokyo Metropolitan Government (TMG) efforts to encourage a balanced and multi-centered metropolis have been frustrated; the extended parts of the metropolitan region have fused, with consequent difficulties for service delivery and productive efficiency. Decentralization, in keeping with trends elsewhere in the country, has been attempted in Tokyo, with the aim of reducing housing shortages, traffic congestion and waste disposal problems that arise from over-concentration. In particular, this involves giving more power to the 23 local wards of the city, each of which has an elected council. At the same time, the TMG has inadequate resources to support development in the municipalities of the neighboring prefectures. The TMG covers only about a third of the population of the whole city-region. Ideas about municipal confederation and the strengthening of the central core figure prominently among the reforms that might renovate the governance system in this extremely large urban region.

Thinking about governance reforms implies that we know what we mean by a "well-managed city." This may not be the case, says Michael Cohen. Appropriate governance is both an objective function, and a goal rooted in normative thinking. As a suggestion, Cohen turns our attention to the work on housing indicators of performance. Performance of cities should be based on the satisfaction of material and cultural needs, and should be related to the actual production and provision of shelter and infrastructure, as well as environmental, social and cultural services.

If we turn the problem around and ask, rather, how cities work, we may use other logics or analogies. Maria Elena Ducci suggests in chapter 8 that it is still useful to use the "growth machine" model originally proposed for American cities by Harvey Molotch in 1976. Applying this model to

Santiago, Chile, she compares the development of infrastructure and serv-ices among the 38 communes of greater Santiago. Outcomes of develop-ment are extremely unequal between the rich and poor communes, but the process of infrastructural growth has a lot to do with the close ties between business, citizen and government interests in some of the richer communes. Groups of local citizens are increasingly objecting to this unequal outcome of development; their patterns of protest are illustrated by two case studies—one having to do with a parking garage, and the other a major urban highway which was planned to pass through a num-ber of residential neighborhoods. The movement to stop the highway (which is in any case likely to be built) has given rise to a broadly based organization called *Ciudad Viva* which is an attempt to develop a vision of a sustainable city in Chile. Clearly, local citizen's movements are a new fact of life in the planning and development process in Chile.

The final piece in this volume is a hypothesis. This hypothesis asks us to consider the possibility of thinking differently about local government. For most, local governments all over the world are many things, but at the very core of their functions is the provision of local services to local peo-ple. Steven Friedman asks us to consider the possibility that local govern-ments would no longer deliver services, but rather would concentrate on *representing* the views of their constituents to those who do provide them. For this to operate in the real world, local authorities as democratic repre-sentative bodies would have to form effective partnerships with service providing agencies and businesses; in the process they might just form much stronger and more durable relationships with their voters.

If we define local governance as "the relationship between government and civil society in cities and towns" around the world, then there is clear-ly a very wide range of ideas and experiences for us to consider. The movement to decentralize and to invest cities and municipal governments with both more and original powers to shape the lives of their citizens is still young. The organizing potential of civil society groups is still largely untapped. As the articles in this book illustrate, when it comes to institu-tional reform and democratic initiatives in some of the largest cities on the planet, each city generates its own innovations. What is certain is that the future will bring even more possibilities and original responses.

NOTES

1. Allen Scott, ed., *Global City-Regions. Trends, Theory, Policy* (Oxford: Oxford University Press, 2001).

2. United Nations, *World Urbanization Prospects. The 1996 Revision* (New York: United Nations Department of Economic and Social Affairs, Population Division, 1998).

3. Ibid, 89.

4. Mattei Dogan and John D. Kassarda, "Introduction: How Giant Cities Will Multiply and Grow" in *The Metropolis Era. Volume 1. A World of Giant Cities*, Mattei Dogan and John D. Kassarda, eds. (Newbury Park, CA: Sage, 1988), 12.

5. United Nations, *World Urbanization Prospects*, 23.

6. T.G. McGee and Ira M. Robinson, "Preface" in *The Mega-Urban Regions of Southeast Asia*, T.G. McGee and Ira M. Robinson, eds. (Vancouver: University of British Columbia Press, 1995), ix.

7. Allen Scott, John Agnew, Edward Soja and Michael Storper, "Global City-Regions" in *Global City-Regions. Trends, Theory, Policy*, Allen Scott, ed. (Oxford: Oxford University Press, 2001), 17–18.

8. Robert D. Kaplan, "Hope for the Best, Expect the Worst," *Foreign Policy* (May/June 2001), 55.

9. Government of South Africa, *The Constitution of South Africa*, 1996, Section 152.

URBAN GOVERNANCE: SNAPSHOTS FROM AROUND THE GLOBE

Confronting Urban Issues with a Metropolitan View in Mumbai, India

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According to projections from the Indian Census Authorities, the urban population of India will exceed 300 million by the year 2016. The coming decades will truly test the capacity and elasticity of India's already numerous "million plus" cities. Such cities, however, are not single municipal entities but urban agglomerations that include various municipalities and non-municipal jurisdictions. The Census Authorities project that by 2016 there will be 51 such agglomerations, governing more than 110 million people. In order to combat the challenges that will arise due to such immense metropolitan growth, municipalities must learn to collaborate with one another and confront urban problems with a metropolitan mindset.

Bombay, or Mumbai as it is presently called, is one of the largest and most influential urban agglomerations in India. Covering an area of 4,236 square kilometers and home to more than 18 million inhabitants, the Bombay Metropolitan Region consists of a variety of municipalities and other jurisdictions. Included among these are the Greater Bombay Municipal Corporation (GBMC), the Thane, Kalyan and New Mumbai corporations, sixteen municipal towns, seven non–municipal urban centers and 995 villages. The Greater Bombay Municipal Corporation is the most important of these units, providing services to more than 12 million of Bombay's 18 million residents. Consisting of an elected Council, a Commissioner appointed by the State, and a significant committee system, the GBMC is responsible for primary education, water supply, sanitation services, electricity, and bus transport. Recent amendments to the Constitution ensure that the elected council, whose members exercise mainly legislative powers, remains a diverse body including women, back-

ward classes, and other scheduled castes/tribes. Although the GBMC occupies a predominant position in Bombay's governmental structure, without proper intergovernmental cooperation, the multiplicity of managerial units in the metropolitan region could in fact exacerbate Bombay's many problems.

More than any other Indian metropolis, Bombay merits the label, "the engine of the economy." Accounting for over forty percent of the Central government's revenues, Bombay remains crucial to the vigor of the Indian economy as a whole. However, not all of Bombay is flourishing. While official statistics cite that the percentage of residents living below the poverty line in the metropolitan region is a miniscule five percent, these figures misrepresent reality. The statistics rely solely on caloric intakes, ignoring the immensely inadequate housing supply and the increasing prevalence of pollution, which have drastically diminished the quality of life in Bombay. The Bombay Metropolitan Region has much to do in the way of providing equal services for its residents.

Often described as the most expensive slum in the world, Bombay's urban landscape features an unparalleled number of squatter settlements and pavement dwellers. Officials estimate that over 8 million people live in inadequate housing in the metropolitan region. Market disincentives and depreciation over the last fifty years have only augmented the sizeable gap between household formation and the availability of inhabitable land. In 1947 the Bombay Rent Control Act, which froze rents at 1940 levels, unfortunately began a chain of disincentives for maintaining buildings. A 1957 survey by the Municipal Corporation revealed that out of 36,000 buildings in the inner city area, nearly half had been built before 1905 and a similar number were in considerable disrepair. The combination of scarce land, low wages, and the dilapidated state of the already existing housing supply forced millions to move to increasingly prevalent squatter settlements.

As in other Indian cities, Bombay's initial response to slum growth was one of clearance and redevelopment. In the 1960s the social housing schemes introduced by the national government, which primarily targeted industrial workers, provided fifty percent loan and fifty percent subsidies to state governments for constructing tenements with low cost specifications. While the state of Maharashtra made considerable use of this scheme to re-house slum dwellers, the growth of low-income households

outpaced the national funds. The national approach then shifted to "in situ" improvements and in 1976, Bombay began the process by conducting a census of slum dwellers. The census identified about 1,700 slum pockets in the GBMC area alone with a population of about 3.2 million people. About half of these slums were on municipal lands, with the other half settled on private lands in extended portions of the GBMC. Despite attempts to maintain the housing stock, through efforts like the Building Repair and Reconstruction Board and successive efforts, the supply of adequate shelter could not keep pace with the burgeoning population.

Another issue that has plagued the Bombay Metropolitan Region is the overcrowded network of public transport. The suburban railway systems constitute the most prominent form of transportation, but in fact buses constitute eighty-eight percent of the transit volume in Bombay. While the Western and Central railway systems are estimated to carry about 5 million passengers per day, the BEST buses alone carry over 4 million passengers. Enhancing transit capacity has therefore been a top priority for local officials. Projects initiated by the State, the World Bank and the Ministry of Railways have begun to increase the frequency of railway services and upgrade tracks and other facilities. Yet, the proliferation of private vehicles in Bombay threatens to undermine the efforts by regional authorities to improve public transport. Already it is estimated that there are nearly one million automobiles in metropolitan Bombay, a number that is rapidly increasing. In order to resolve the transportation issues that have arisen due to Bombay's metropolitan growth, the region's various governmental units need to establish a comprehensive strategy to alleviate traffic congestion and improve public transportation services.

Hindering the resolution of the region's numerous housing and transportation issues are the area's various levels of government. Intergovernmental collaboration between both local units and state governments, and between local units themselves is severely lacking. Unfortunately, urban issues equated with municipal issues are often those which the state or central government views as unworthy of great attention. Multi municipal urban agglomerations require arrangements for their governance that are intergovernmental, cooperative, and participatory in nature. Despite Bombay's substantial population, a lack of redistricting over the last 25 years (a time during which the population of Bombay has grown exponentially) has prevented the region from having any sig-

nificant political clout in the national government. Redistricting was scheduled to occur in 2001, but unfortunately since Bombay's political leaders seem to adhere to the "less is more" adage, believing that less participation on the local level will lead to a more "efficient" practice of democracy, redistricting is unlikely to truly alleviate the pressure of Bombay's regional growth.

Advancing the urban agenda, especially in the national political arena, is vital to the welfare of the Bombay Metropolitan Region. Yet, while the State assembly and the National Parliament can serve as important avenues for change, engaging local bodies and constituency groups is also important. The rapid growth of Bombay since independence and the appearance of life-threatening problems fostered new forms of collaboration between segments of civil society and the local governmental units. The more prominent among such groups were those concerned with slums and environmental degradation. The Society for Promotion of Area Resources Centre and the National Slum Dwellers Federation are two organizations widely recognized for their pioneering efforts to mobilize slum communities towards positive change. Fortified by court decisions in their favor, local slum dwellers groups have gathered enough support to require that prior to displacement local officials ensure the proper rehabilitation of slum dwellers. Reaching a consensus with these types of organizations is now a prerequisite for any scheme of improvement, renewal or relocation. With respect to environmental concerns, the Save Bombay Committee, the Bombay Natural History Society, and the Bombay Environment Action Group have been vital in protecting the coastline, preventing the discharge of effluents into the sea, conserving wetlands and marshes and most importantly, raising public awareness about environmental degradation in Bombay.

Citizen participation, however, should not simply arise in the aftermath of disaster or degradation. Municipalities must work to engage local constituencies in the governmental processes that preempt or prevent such degradation. In Bombay, the use of ward committees and the Advanced Locality Management Scheme (ALM) has increased citizen participation in local decisions. The ALM evolved from small beginnings in 1997 with one street committee hoping to improve garbage collection and maintain street lamps, drainage systems and railways. The staff of the Greater Bombay Municipal Corporation and ALM representatives work together

to maintain existing services and draw up improvement plans. It remains to be seen whether the ALM can be scaled up to advance the concerns of other neighborhoods while simultaneously maintaining its participatory character.

The physical, financial, and cerebral resources available in the Bombay metropolitan area are formidable, yet the necessary vision and strategies will require advocacy and support at the city, state, and national levels. The greatly increased number of elected representatives from the GBMC and municipalities, because of the 74th amendment to the Constitution, form a strong political base from which the stimulus and pressure for change can be maintained. There is a need to engage this new rung of leadership and prepare them for the challenge of governing the Bombay metropolitan region through innovative programs of capacity building. In the end, reconciling the twin objectives of increasing cooperation at the metropolitan level, required for economic growth and efficiency, and maintaining the autonomy necessary to sustain proximity to the people, will be the challenge of the future.

Health and Urban Governance in Abidjan, Cote d'Ivoire

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Although metropolitan governance has only been in existence in Abidjan, Cote d'Ivoire since 1980, its brief history reveals the complexity of governing a large urban area. The process of decentralization in Abidjan established ten Local Authorities intended to foster public participation and lead to more efficient service provision. However, unimaginative local officials and the inability of the local population to articulate its needs have rendered the municipal structure incapable of providing adequate services for the growing population. Unfortunately, the lack of effective government is reflected in the living conditions of the urban poor. Plagued by insufficient basic services and gross mismanagement of solid and liquid waste materials, Abidjan's poor live in a threatening environment. These conditions simply serve to aggravate already existing social tensions, endanger the physical welfare of Abidjan's residents, and further complicate the task of governing this burgeoning city.

Today's Ivorian towns are characterized by blatant spatial segregation. As a legacy of colonization, the poor are isolated from the rich in a spatial manifestation of more general social inequities. Whereas the upper class white population occupies the well-ventilated Plateau district, the indigenous population remains separated either by natural barriers or by military camps. This deplored practice of segregated community development has unfortunately persisted with independence. In fact, the geographic and socio–economic fragmentation initiated during the colonial period has been reinforced by recent trends in urbanization and the process of peripheral growth.

The system of spatial segregation inherited from colonization, coupled with current patterns of peripheral urban growth, has made poverty a vis–

ible part of Abidjan's urban landscape. In 1998, the National Statistical Institute of Cote d'Ivoire calculated that twenty-five percent of the Ivorian population lives below the poverty line and a majority of these reside in common facility houses. In such shantytowns shared sanitation facilities, including showers and toilets, are the norm and the areas in general lack proper facilities for promoting healthful hygiene habits. The inability of municipal structures to provide adequate services to these areas endangers the physical well being of Abidjan's poor. For example, less than thirty percent of poor households have access to water. Waste removal is practically non-existent in many parts of Abidjan and even when waste is collected, Ivorian towns lack the facilities to treat the waste properly. The failure of municipal government in Abidjan to provide sufficient services has led to political and social unrest, not to mention an unhealthy urban environment.

In recent years, the prevalence of endemic diseases, notably AIDS, malaria, and tuberculosis, has soared in Cote d'Ivoire. In 1998, between ten and twelve percent of the general population were seropositive. AIDS is presently the primary cause of mortality amongst hospitalized men and the second leading cause amongst women (following only maternal mortality). In this context, AIDS must be considered a cause and a consequence of poverty. Proper infrastructure could prevent the prevalence of debilitating illnesses, yet thus far the municipal governments in Abidjan have failed to ensure adequate waste removal, proper sanitation facilities or a reliable supply of water. The result has been both an overwhelmed health care sector and a growing number of street children and orphans, with over 175,000 street children and over 600,000 orphans counted in 1998.

Considering the rising prevalence of life-threatening diseases in Abidjan, the issue of improved health care provision demands greater attention. Like most aspects of Ivorian life, the quality of health services varies drastically between those available to the rich and those available to the poor. Most health centers in Cote d'Ivoire are run by the state, but public dispensaries often do not exist in poorer regions. A recent experiment with community health centers in Abidjan has proven quite successful with regard to the equalization of services between the rich and the poor. The establishment of Urban Community Health Clinics was inspired by the experience of the Community Health Associations of Mali. In this system, neighborhood associations join together to establish community health

centers to provide services to those in the greatest need of care. Although these community health centers are slightly more expensive than public dispensaries, they have been far more successful in improving the health of Abidjan's poor. With between twelve and fifty staff members and with an average of four doctors per center, community health centers have a visitation rate over three times that of public dispensaries. In total, community health centers currently serve nearly 800,000 people.

Despite the success of those centers already built, the program has not lived up to its full potential. In 1997 only twenty out of fifty-four neighborhood associations in the District had succeeded in establishing their community health centers. While some health centers were successful in promoting access to modern healthcare (general medicine, vaccinations, prenatal care, etc.), recent studies note that poor residents still seek consultation only after an illness has developed. Promoting consistent health care and encouraging the poor to seek preventive medicine will be a challenge to both health care providers and municipal officials in the coming years.

The price of medication in Abidjan has also had implications for the welfare of the poor. According to one study, patients were more than twice as likely to buy medications costing 5,000 francs (F) than they were to buy medications costing 15,000 F. The community health centers have somewhat alleviated this problem by selling essential medications at prices thirty to fifty percent below the market price. This is made financially possible by the fact that community health centers buy such medications at wholesale prices or use medicines donated by NGOs. Any profit made on the sale of medications goes to cover the center's operating and personnel expenses. Unfortunately, access to medicine in Abidjan is still limited due to the inadequate number of health care centers and the comparably inadequate number of properly trained health care professionals.

To remedy the lack of centers, *Santé Abidjan* was launched in 1992 with the support of French cooperation. Modeled after a similar program in Bamako, *Santé Abidjan* established community health centers in those municipalities lacking public dispensaries. The central program supplies buildings, equipment, and personnel, neighborhood associations manage the daily functioning of the clinics. The national government and municipalities also support this effort by providing midwives, paying the wages of healthcare aids, and floating water and electricity bills. A total of eleven such centers have been established, of which five are in Abobo, five in

Yopougon, and one in Marcory. Recently, with the help of German and Canadian cooperation, two more centers have been created in Port Bouet and Koumassi; the program continues to spread across Abidjan.

Improving health services for Abidjan's residents represents the broader challenges that will confront Abidjan's municipal governments in the coming years. Although it is often treated as a homogeneous subject, the urban environment is in fact perceived and experienced in drastically different manners by the various actors of the city, most blatantly the clearly distinguishable experiences of poor households and rich households. Equalizing access to basic services will be necessary to maintain political and social stability in Abidjan in the coming years. In order that municipal reforms will lead to greater access to services and a healthier population, change should be based on shared management involving the mechanisms of internal, horizontal, and vertical coordination. Also, if the environmental problems and subsequent low health standards are to be improved, the municipal governments of Abidjan must coordinate a campaign to promote preventive medicine and broaden the community health center program. Only through greater coordination both within and among municipal units will the health of Abidjan's residents improve in the coming century.

Decentralization and Governance in São Paulo, Brazil

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With nearly ten million inhabitants scattered over an area of 1,500 square kilometers, the city of São Paulo is currently one of the five largest cities in the world. Moreover, the Metropolitan Region—the city of São Paulo plus 38 other municipalities—contains over seventeen million inhabitants. Indeed, the sheer number of *paulistanos* who inhabit the region today makes governance, and particularly participatory governance, quite a challenge. The process of decentralization has been a necessary part of increasing public participation, but in the coming years municipal coordination will be vital for improving the effectiveness of metropolitan governance.

The manner in which São Paulo has grown over the last century has had vast implications for the way the city is governed today. Beginning in the 1930s with the approval of the Avenue Plan under appointed Mayor Prestes Maia, São Paulo became a car-dependent city. Much like Los Angeles, the city continued to spread further into the countryside with an ill-designed plan of radial avenues. Real estate development became an important part of the urban economy and the Pro-growth Coalition emerged as a powerful faction within the metropolitan government.

Unfortunately, during the population boom of the 1940s, the Pro-growth Coalition ruled practically unchallenged. Population growth, combined with negative side-effects of rent control laws, led to a huge growth in squatter settlements in São Paulo. This kind of self-made city has become both an established part of the urban landscape and a central mechanism for political patronage. Despite their illegal status, such settlements constitute a central feature of São Paulo's political system. Janio Quadros, a populist mayor during the Forties, created a faithful clientele by

granting amnesty to illegal squatters and extending services to those areas already occupied. The tacit acceptance and encouragement of the growth of squatter settlements contributed to the unfettered growth of the metropolitan region and makes governing this region even more difficult today.

As an alternative to the Pro-growth Coalition, Anhaia Mello and a group of like-minded architects developed a new vision of the city, reliant on comprehensive planning. Identified mainly with public services, this group opposed the Pro-growth Coalition's emphasis on free market forces. Instead of promoting road-building and the use of automobiles, this group worked toward a system of managed growth. Emphasizing inclusive public policy and participatory planning, this group challenged the unfettered growth of the metropolitan region and hoped to incorporate the needs of *paulistanos* into the growth plan.

Over the next two decades, officials vacillated between these two visions of the city. The result was an ill-planned mass of sprawling municipalities unable to coordinate with one another. Old industrial areas began to deteriorate, replaced by unsafe slums and squatter settlements, and new middle-class condominiums appeared nearby. The juxtaposition of the rich and poor remains a noticeable part of São Paulo's landscape and reflects one of the greatest challenges to urban governance today: how to foster growth while ensuring equity.

In order to combat the problems that accompanied São Paulo's immense growth, regional offices were created in the 1960s as a means of decentralizing the administration of urban services. Comparatively, local governments in Brazil are more independent than is generally the case throughout the world. This trend became even more pronounced after the 1988 Constitution, which entrusted municipal governments with increased political, administrative, financial, and legislative autonomy. In addition to transferring a large portion of tax revenue to the local level, the Constitution strengthened the city council structure, giving such bodies more power to counteract the executive branch. With regard to local government functions, the Constitution made local governments responsible for all services of "local interest," including land use regulation, traffic regulation, public transportation, public lighting, and waste collection. The Constitution also transferred health services and primary education to municipalities, but for such social services funding is shared with the Federal government.

The Constitution of 1988 has significantly enhanced Brazil's democratic and participatory principles. Besides transferring responsibilities to municipal governments, the Constitution also introduced new democratic tools, such as referendums, citizen initiatives, and a new mode of direct representation in the form of special councils. Federal legislation has called for the creation of such councils to confront issues related to health, children, and welfare. Yet, the effectiveness of municipal governments remains dubious due to the prevalence of clientelism and patronage. Though it will take time, the Metropolitan Region needs to establish an institutional system that allows for public scrutiny and disallows for corruption. Efforts to clarify responsibilities and foster increased transparency in government activity have begun, but have yet to make any substantial impact. In order for these changes to occur, São Paulo needs a new institutional framework, produced by a network of multiple actors, private and public, capable of guiding social and political forces.

In an area known as the ABC Region, municipal coordination has enabled the success of new initiatives. Seven municipalities within the ABC Region created the ABC Chamber, a political body made up of representatives of the State government, the seven local governments, councilors, state legislators of the Region, and representatives of civil society. Its aim is to foster the recovery and development of the Region by consensual planning and implementation of innovative public policies. Yet, despite the success of the ABC Chamber, the city of São Paulo has not been involved in these efforts and has been slow to emulate their successes.

Municipal coordination will be vital for the future development and sustenance of the São Paulo metropolitan region. As curtailing the rise in violent crimes in São Paulo becomes a regional priority, municipalities must work together to counteract this trend. Already, the state government of São Paulo, in conjunction with an NGO called Instituto São Paulo Contra a Violência, has created a Metropolitan Forum for Public Safety. However, São Paulo has for the most part failed to contribute to the wave of innovative policies spreading throughout Brazil. In fact, the only project with potential—the PAS Health Cooperatives—not only failed, but turned into a notorious case of corruption.

In order to sustain its still burgeoning population, São Paulo will need to emphasize municipal cooperation and innovative participatory policies. In fact, it may even be time for an institutional change. To tackle the issues

São Paulo confronts, regional governments will have to form a *Development Coalition*, involving civil society, corporations, and social movements. Such a coalition would allow for the kind of comprehensive planning necessary to face the challenges that arose due to the recent economic downturn of the metropolis. Only through a new structure of government, can São Paulo and its neighboring municipalities formulate a more comprehensive and integrated plan to ensure the region's stability.

NGOs, Civil Society, and Governance in Kyiv, Ukraine

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The current situation and prospects regarding urban governance in Kyiv must be considered with an understanding of the intergovernmental relationships in Ukraine. In this context, issues of social partnership and cross-sectoral cooperation will be given a special focus, as they are seen by the author as inseparable components and pre-requisites for *good urban governance*. The latter, in this case, is understood as comprising the mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their rights, meet their obligations, and mediate their differences.

It is argued that despite its special status, which is reflected in the Law on Kyiv, the city community faces a significant number of challenges similar to those facing the periphery of the country. On the one hand, residing in the capital city provides for Kyivites a somewhat better than national average opportunity for service provision entitlements: central government cannot ignore the needs of the city that hosts both central executive bodies and the Parliament. On the other hand, weaknesses and deficiencies of the current governance structure, exacerbated by an insufficient level of transparency, and insignificant public participation in the city's affairs, are unlikely to be overcome in the short-term. Most likely they will strongly impede sustainable development of the Kyiv community for at least the next few years, and will significantly limit Kyiv's potential to develop and promote good urban governance.

In addition to the general economic crisis now plaguing Ukraine, there are a number of internal bottlenecks that strongly hamper community development. Among these are the strong centralization of power, imbalances in center-periphery relations, and total dependence of regions and

communities on the central government in terms of access to budget allocations. It should also be added that local governments do not possess the proper tax base to generate sufficient revenues locally, therefore fostering local dependence on what is allocated from either the central budget or the budget of the Oblast.

Public expenditure constraints have forced practitioners across the country to make difficult and unpopular decisions about which services they can afford, and which they cannot. Policymakers in national government, in particular in the Verkhovna Rada (Ukrainian Parliament) have been hesitant to recognize this reality. Supporting legislation needs to be developed to clarify these issues. Without such guidelines, the Councils of Oblasts (regional, sub-national level of governance in Ukraine), Raions (districts), cities, and villages remain unclear as to how the Constitution should be interpreted. Subsequently, the rationale behind the executive decisions and priorities becomes increasingly pragmatic, subjective, and inconsistent. With the worsening economic situation, many large enterprises, and ministerial departments have found themselves in a situation where they must reduce costs, downsize, shut down, transfer or sell their assets. Many of these assets are being transferred to municipalities, and in most cases the local self-government is then expected to provide and finance the services that were once provided by private enterprise and state bodies.

Municipalities are actually in the worst position because they are fully dependent on Oblast Radas (Councils) which resolve annually on funds to be allocated to cities, villages, and settlements from the Oblast budget. The Oblast budget is therefore "given" by the central government. Since there are no legally stipulated criteria for budget allocations in Ukraine, every Oblast governor does his best to maximize his budget through direct contacts at the Ministry of Finance, which is in charge of submitting the draft budget for approval by the Parliament. Thus, the most influential governors are the those most successful in obtaining the largest pieces of the ever-shrinking national pie.

Unfortunately, real barriers to the implementation of a more effective system of governance continue to persist in Ukraine. The general lack of political will to design and implement genuine reforms, combined with the low institutional capacity of municipal authorities to address community development issues, makes change practically impossible. Furthermore, the Ukrainian system lacks substantial pressure from the

bottom to act as an engine for reform. Indeed the paternalistic mentality of the majority of Ukrainians still dominates and eliminates the possibility for genuine reform in the near future.

Considering the general mentality of Kyiv's populace regarding reform, one would assume that NGOs in Kyiv would be less than effective. Accordingly, until very recently NGOs have been practically invisible to both the majority of Kyivites and to City authorities as well. It was only in September 2000 that the City administration for the first time since indepence in 1991, launched a broad initiative aimed at inviting NGOs to Kyiv for collaborative efforts. The initiative was aimed at exploring the potential of these organizations in terms of assisting the City officials in identifying and tackling development issues. Appropriately, such organizations would help with projects relating to infrastructure, service provision, and communications between city officials and the public.

Whether NGOs can effectively address the people's needs and foster innovate policies remains to be determined. Despite the growth in the number of NGOs in Kyiv in the last five years, the public's knowledge of such organizations remains limited. It is unclear how Kyivites will react to such organizations and whether they will consider them to be potential defenders of their legitimate rights. To address the issue of public knowledge and participation, Kyiv has planned to establish Coordination Councils of the Constituency of a Kyiv Councilor. Each Councilor is expected to unite with *Raion* Councilors and local activists to jointly address issues of local development. The potential competency and success of such bodies is still being debated.

While tangible improvements in the status of the current governance system remain a few years in the future, overall prospects for the future regarding living standards and the management of the city's economy appear favorable. The promoting and lobbying capacity of the advocates of responsive, transparent, participatory government need more time to consolidate their efforts and gain experience before they can affect real change, but in time they will grow to promote a new institutional structure in Kyiv.

PART II

CHALLENGES FOR URBAN GOVERNANCE IN THE THIRD MILLENIUM

A Quest for Control: High Modernism and Its Discontents in Johannesburg, South Africa

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F or many analysts and practitioners around the globe, South Africa's struggle for democratic local government is a source of fascination and inspiration. And no city is perhaps more fascinating and inspiring than Greater Johannesburg, whose Soweto township achieved world prominence during the turmoil of 1976.

The interest stems from the peculiarly local dimension of the fight against apartheid and the sorts of thought and practice it is meant to have produced. From 1976, when Soweto rebelled against both the teaching of Afrikaans—the "tongue of the oppressor"—in its schools and an urban policy which sought deliberately to starve the township of houses and services in the vain hope that its inhabitants would leave the cities for the black "homelands" assigned to them by apartheid,[1] until the negotiation of a non-racial constitution in 1993, the domestic fight against white domination had a strongly urban dimension.[2] The apartheid city was seen as the Achilles heel of the system where activists waged the most heated battles against racial minority rule. The call for black local government rights was the first demand for change made publicly by the domestic resistance that began in 1976 and the demand for democratic, fair cities was repeatedly used as a rallying point until proscriptions on black nationalist movements were lifted in 1990. And, since grassroots resistance was mobilized around demands for urban participation and a style of local democratic politics—rhetorically at least—designed to offer a stark contrast to the top down authoritarianism of apartheid, local government was far more likely to be seen as a site of citizen engagement in politics and

governance than in other liberation struggles—or, indeed, in other African countries.

This background kindled expectations that South Africa in general, Johannesburg in particular, might provide a new model for democratic local governance as new city officials and politicians, schooled in the politics of grassroots mobilization and thus wedded to partnership with citizens but seasoned by lengthy negotiations to understand the practicalities of running large cities, offered a new approach to city administration in a continent in which local government, where it has existed at all, has always been weak.

These expectations have not been realized. Despite an initial flush of enthusiasm for new urban government styles and approaches, Johannesburg's city government has quickly fallen into the familiar scramble for foreign investment and conversion to strategies such as privatization and general local state retrenchment, which has gripped Southern governments of all ideological hues at all levels.

This paper will, however, seek to argue that the shift is not as stark as it seems. Whatever its practical effects, the new approach shows a remarkable, although unremarked, conceptual continuity with the old. While their methods may differ, both are born of the excessive belief in the ability of enlightened social technicians and "scientific" management techniques to control reality which James Scott has called "high modernism."[3] And the viable antidote lies not in a return to the slogans and approaches of the 1980s, but in a new willingness to embrace politics—the free interplay of competing ideas and interests mediated through representative government institutions. But, before developing this argument, it is necessary to describe briefly the city and how it came to its present pass.

JOHANNESBURG IN PROFILE

Johannesburg is a city of some 3.5-3.8 million inhabitants, according to official estimates,[4] covering an area of 1,384 square kilometres. Its racial demographics—always a key factor in South Africa—show a predictable black African majority—69 percent, while whites comprise 22 percent and black minorities[5] 9 percent. The proportion of black Africans is lower than the national average, that of whites higher.

Johannesburg and the Gauteng province in which it is situated have long been regarded as the country's economic hub, although the city and

provincial economies have stagnated in recent years: the city's gross domestic product is officially US$6,000 million, 12 percent of national GDP; in 1994, almost two-thirds of South Africa's top 100 companies were located in the city, a significant increase from the 52 percent calculated in 1980.

This relative affluence distinguishes the city from those elsewhere in sub-Saharan Africa: between mid-1996 and mid-1997, plans for no less than 85 new shopping centres and 216 industrial and commercial establishments were passed by the council.[6] But its socio-economic data also demonstrate affinities with cities elsewhere on the continent. Its population density is given as 2,505 people per square kilometre; its 'informal population' is estimated at an almost certainly conservative 640,000 (given the substantial influx of 'illegal immigrants' to the city), and its informal settlements reportedly comprise more than a third of those in the province, which is a magnet for in-migration from within and outside South Africa's borders—net migration to Johannesburg from surrounding parts of South Africa and other countries is estimated at 1 percent of population growth.[7] While specific figures for Johannesburg are unavailable, illiteracy in Gauteng province is estimated at 44 percent and unemployment at 21 percent.

Certainly, if official data are to be believed, Gauteng's access to infrastructure is high by both national and continental standards. In 1995, 96 percent of residents were reported to enjoy access to running tap water; 87 percent were said to enjoy access to refuse removal by a local authority and 46 percent to have a telephone in their dwelling. If municipal statistics are to be believed, the metropolitan area has achieved an unusually high level of payment for city services—93 percent—although this claim is hard to reconcile with the calculation that Johannesburg is still owed arrears of R2.8 billion (US$0.36 billion).[8]

But, as we would expect in the largest city of a country in which legally entrenched racial privilege created perhaps the most unequal society in the world—there is a lively debate as to whether South Africa or Brazil qualifies for this title—poverty is pervasive: 31 percent of the economically active population reportedly earn less than R800 (US$103) a month, 50 percent less than R1,500 (US$194). The housing backlog is estimated at 350,000 units: in Soweto, only 46 percent of people live in (usually four room) houses, while 30 percent live in structures in backyards.[9] In one of

the conurbation's *de facto* black residential areas, there is 1 clinic for 30,000 residents, in another, one school for 29,243 children.[10]

Economic growth is not remotely sufficient to provide an antidote to poverty even if a reasonably egalitarian distribution of its fruits is assumed: the city's economy is estimated to grow at 0.3 percent a year, its population at 3.4 percent. Inequities may well be enhanced by employment trends that have more in common with those of the North than Africa: since 1980, manufacturing employment has dropped from 24 percent to 16 percent, mining, once a key source of jobs, employs only 5 percent and the proportion is declining. By contrast, employment in services is estimated at 33 percent, increasing steadily over the past two decades; other tertiary subsectors are substantial employers with commerce, finance and transport accounting for 21 percent, 13 percent and 6 percent of the workforce respectively.[11] These trends, which mirror those in the national economy, advantage those with formal education and are therefore weighted against the black African poor; they confirm a general trend within the South African economy in which skilled employment opportunities are burgeoning as un- and semi-skilled openings contract—and in which, as a consequence, opportunities for the black African majority, deprived of educational opportunities by apartheid, are narrowing as those for other races expand.[12]

There is a sharp geographic divide within the metropolitan area: in apparent vindication of those who like to see Johannesburg as a microcosm of global trends, affluence is concentrated in the north, poverty is prevalent in the south.[13] While the city's reputation as "crime capital of the country" hides the fact that several other cities record higher rates of serious crimes, incidence of crimes against property and persons is high.[14] As in many other cities, the inner city is a particular challenge to city governance: after a lengthy process in which the central business district, once a site of lower middle class white settlement, became a black residential area despite the fact that, until 1991, the law forbade black people to live there, late apartheid authorities ignored the area, concentrating instead on the suburbs where their white constituents lived. Partly as a result of this process—and, no doubt, partly in consequence of the ills which plague inner cities in many parts of the world—Johannesburg's central business district now confronts familiar problems such as business flight, declining property prices, residential overcrowding and declining services and facil-

ities. A more peculiarly local dynamic, which adds considerably to the challenge of governance in the area, is the high proportion of immigrants from other African countries, the vast majority of whom are undocumented and therefore technically "illegal," who inhabit the inner city.[15]

So, despite its wealth when compared to other sub-Saharan African cities—and the fact that, as a result of a process to which this paper will return, a budget deficit which reached R183 million (US$23.6 million) in 1997/98 has now been eliminated,[16] Johannesburg is a city in stress as limited finances must increasingly address growing unemployment, poverty and uneven access to services. The disparities, more reminiscent of Latin American than African cities, arguably dispel the notion that Johannesburg, like other post-apartheid South African cities, is somehow unique.[17] While apartheid has certainly added both to the degree of the problems' severity and the real and perceived urgency of change, Johannesburg's city politicians and officials face the familiar governance problems posed by high levels of social polarization within the city, the limited resources available to address it, and the reluctance of key groups of citizens to meet their obligations to government, either because they are alienated by majority rule or insulated from it by poverty and marginalization.

Political History
Governance in Johannesburg cannot be discussed without briefly placing recent political history in context. During the apartheid period, the city was, like all South African cities, divided into racially separate units. To cut an oft-told story short, the townships housing black Africans were not represented in the city's local government and, until the mid–1980s, had to be content with "representation" by "advisory" councils that had no formal powers and whose "toothlessness" was thus a constant source of complaint. And, because it was a core principle of "grand apartheid" that all black people would eventually leave the city to live in their own ethnically-defined rural "homelands," their townships were starved of development in an attempt to induce them to return to their "own areas" (their affinity with which existed more in the minds of apartheid planners than in reality). The areas housing the black minorities (coloured and Indian people) were regarded as part of the white local authority but were not represented in the local council; they were expected to elect management committees that advised the white council.

In 1984, racially segregated black local authorities were introduced, a move portrayed by the white government as a concession to black political aspirations after almost a decade of resistance mobilization in the black townships, forming part of a more general "reform apartheid" attempt to stabilize black African urban settlements by partially recognizing the permanence of their residents. But black activists saw them as a symbol of disenfranchisement, not least because they were introduced at a time when coloured and Indian people were given (highly restricted) franchise rights, while black Africans were left with local government as their only form of representation. The fact that they were expected to rely on their own sources of funds despite lacking a commercial or industrial tax base ensured that they could raise revenues only by imposing severe charges on their residents. The combination of political illegitimacy and economic desperation as the new authorities imposed service charge increases that their residents could not afford ensured that the introduction of black local government triggered a sustained urban revolt, that included a boycott of municipal service charges.[18]

The resulting impasse, in which black townships could not be effectively governed but resistance activists could not overthrow the white-ruled local or national state, prompted sporadic attempts at negotiation between resistance leaders and the authorities. Soweto played a key role here as local activists made themselves available to negotiate a way out of the stalemate. This culminated in the 1990 Soweto Accord that prompted the establishment of the Central Witwatersrand Metropolitan Chamber (CWMC): although billed by the authorities merely as an attempt to resolve problems that had promoted payment boycotts, it was an attempt to negotiate the terms of a non-racial city;[19] in this sense, it was a precursor to the national constitutional negotiations that began in earnest the following year. The Chamber was seen as a pioneering experiment in negotiating local accommodations and was a model for the Local Government Transition Act of 1993, allowing the establishment of local forums to negotiate the appointment of "pre-interim" local councils in which black African local leaders would participate for the first time.[20] Once the legislation was passed, the Chamber transformed itself into the Greater Johannesburg Local Negotiating Forum to take advantage of the opening created by the 1993 law and set about introducing non-racial

local government—which was formally established with the local elections of late 1995.

Students of transition politics devoted considerable attention to the Chamber.[21] Not only was it a sustained attempt by white political authorities and black resistance activists to reach a local accommodation that could negotiate an end to urban apartheid, but also its discussions went well beyond the political shape of the new non-racial city into debate on issues such as urban form and financing. This allowed some activists to sharpen or acquire practical urban governance and policy skills while also providing an opportunity for intellectuals and professionals sympathetic to the resistance movement, who had placed their services at the disposal of the activists through urban NGOs, to move beyond providing an intellectual resource to anti-apartheid mobilization to confronting urban policy and governance problems. This seemed to create a particularly propitious conjuncture in which the mobilization skills and affinity for egalitarian grassroots politics of the activists would be combined with policy knowledge to produce a unique and potentially workable approach to governing the post-apartheid city.[22]

Nor were the hopes pinned on this period restricted to South Africans. The Johannesburg experience, and, more generally, the multi-interest and multi-actor negotiations aimed at producing post-apartheid urban governance structures that were channelled through the CWMC were seen by some as paradigmatic of the new processes of urban governance, understood as "the relationship between civil society and the state, between rulers and the ruled"—in other words, as an exemplar of a new approach in which cities are governed by private and public actors, government and civil society, rather than city governments alone.[23] This paper will argue that these expectations were exaggerated, in part by a tendency to overstate the grassroots strength and depth of the civic associations formed by anti-apartheid activists,[24] and partly by a tendency to take the democratic rhetoric of these "community organisations" at face value. But it remains true that the nature of the transition did inject into Johannesburg's local government a group of talented intellectuals and activists who could have been expected to launch a unique experiment in governance responsive to the grassroots but pragmatic enough to mellow their zeal with an appreciation of practical reality. After a brief period of visionary theorizing, however, that is not what Johannesburg got.

CITY MANAGEMENT AND GOVERNMENT: THEORY AND PRACTICE

Thinking the City in Theory

The new city elite's current thinking on governing Johannesburg is contained in a range of documents, not all of which can be discussed here. For convenience, this treatment will focus on one of them, the Strategic Metropolitan Development Framework (SMDF), which remains posted on the council's web site and which is, in this analyst's experience, a representative summation of much of current council planners' thought.

On the surface, the intellectual odyssey of Johannesburg's activist planners is unremarkably familiar. A metropolitan government in which former activists occupy key positions—the chief executive for the past few years, Khetso Gordhan, was an SA Communist Party activist while key planning and strategy positions are occupied by graduates of the "service" NGOs which once advised the civic movement[25]—has, according to most of its critics, moved from championing the poor to an uncritical embrace of the market. The reality is more complex.

Certainly, the thrust of thinking on the city has changed significantly. In 1995, when the appointed city government chosen by the negotiating forum (see above) was preparing for the society's first non-racial local elections, the *leitmotif* was, in the words of one commentator, "equity planning and urban reconstruction."[26] Consistent with concerns raised during the CWMC negotiations,[27] the new city planners stressed two themes. First, a concern for a "compact city" able to address inequities created by racial domination. This seemingly technical term masked a profoundly political concern. Apartheid had banished blacks to the city periphery; "densification," which implied opening up areas of the city to mass black African settlement, was a key potential threat to white privilege since it would bring blacks into the city core from which they had always been excluded: one practitioner described it as "a primary means to increase opportunities for blacks to enter the residential and economic fabric of the white city."[28] Second, a desire to move beyond traditional town planning to "a new paradigm of development planning" described by one of its proponents as a concern to integrate traditional planning with "social and economic planning" and to restructure the budget to "meet development policy objectives." It was also said to "[include] a participatory process aimed at empowering the poor and marginalized."[29]

During the first term of Johannesburg's first universally elected local government the focus has shifted radically. The concern for grassroots participation and for redistribution of the early phase of the metropolitan government has given way to an enthusiasm for achieving "world class city" status, leavened only slightly by the addition of the adjective "African"—"Building an African World Class City" is the slogan which appears on municipal documents and the topic on which, at the time this paper was being written, the State President, Thabo Mbeki, convened a roundtable in the city as a boost to the governing African National Congress's local election campaign. Achieving this goal by 2010 is both a stated objective of the Metropolitan Council and the subject of a "participatory planning" exercise conducted by the council in which business, labor and the "community" are to agree with the council on ways of realizing this goal. Activists whose NGOs once drew up negotiating documents for service charge boycotters now seek out scholars in the hope of soliciting useful ideas for propelling Johannesburg into "world class" status.[30]

To critics who see the "world class" slogan as simply a trendy rubric for strategies that exclude the poor to ensure a city aesthetically and materially congenial to the affluent,[31] there is nothing complex about the idea; it is simply another way of saying that the council planners have, like counterparts elsewhere on the planet, succumbed to the wiles of the "Washington consensus." As the next section will show, many of the council's practical actions reinforce this analysis. But simply denouncing the new planners as co-optees of the market ignores important realities; it may also at least partly misdiagnose the problem and, therefore, point to inappropriate solutions.

As we might expect, GJMC documents are replete with the latest fashionable thinking on "globalization" and the need for cities to respond to it. But, contrary to critiques from the left that see in this a coherent, albeit malevolent, vision, it is difficult to see in this a serious analysis of the nature of the purported problem—or an understanding of how it informs specific urban policies. Thus, the section of the SMDF that discusses "Development in Context," and thus seeks to spell out the conceptual foundations of this approach, devotes just over one page (of 18) to a discussion of the global context. Its sweeping claims about the nature of the global economy are asserted rather than demonstrated: no evidence is adduced for them and the only source cited in their defence is Saskia

Sassen, whose work could—and in this analyst's view, should—as easily be seen as a refutation rather than a vindication of the section's suggestion that Johannesburg needs to become a "global or world city."

Thus Sassen is quoted as identifying four key functions of these cities: "high concentration command points in the organisation of the world economy"; "key locations for finance and specialised service firms which have replaced manufacturing as the lead economic sectors"; "producers of innovation in…these leading industries"; and, markets for the products and innovations that are produced by them. The clear implication is that, if Johannesburg becomes all of these things, it too will be a major city. But the document does not make the obvious point that Sassen was not writing about cities that wish to become major, but about those that already are.[32] The council's document appears to assume firstly that Johannesburg ought to aspire to be like global cities such as New York, London and Tokyo, and that it can do so merely by emulating their characteristics. Neither assumption is as self-evident as the planners may assume. First, if Sassen is to be inspanned in their defence, it is possible to read her work in a way that implies that cities such as Johannesburg can never emulate "global cities" since one of her hypotheses is that major cities have features that others cannot simply copy. Indeed, one important theme in Sassen's more recent work[33] is the degree to which "placeboundedness" continues to matter. The large companies of her four major cities are not about to uproot and move to Johannesburg on receipt of a more competitive offer and it is therefore not at all clear why Sassen's writing should have any relevance for a southern African city seeking to address severe poverty and inequality.

The only other assertion about the global economy made by the framework is contained in a few paragraphs that declare, "internationally, there has been an economic shift to service sectors and high value added manufacturing industries." Also, "global procurement has increased the importance of logistic and support industries." Requirements to compete at a global level are said to be: a flexible labor market, a skilled workforce, research and technology support to industries; "required infrastructure and services for quick communication, exports, production and distribution"; and, "access to markets."[34]

All of this is presented as self-evident truth although it is nothing of the sort. While the economic shift it describes may well have occurred in the major economies, does this accurately describe the current trajectory of the

Bangladeshi, Honduran or Tanzanian economies? What is 'global procure-ment'? Who is doing the procuring and what is it that they seek to pro-cure? Why has it increased the importance of logistical and support indus-tries? These points are more than an academic quibble. The authors of the framework present this claim as implicit justification for an approach that seeks to align Johannesburg to these realities and suggests there is no alter-native to such a response. Different cities and, indeed, countries (to use a term which has fallen out of favor in the current rush by intellectuals to abolish the nation state) have different economic trajectories: financial services and electronic innovations are not the only passports to sustainable livelihoods; but the document does not acknowledge this. Nor is it clear why the requirements adduced by the document are the only ones that might enable the city to address its challenges. Why is personal safety not relevant? Or, as one important contribution to contemporary political economy would want to argue, the ability to resolve conflict?[35] Or the nature of business–government relationships?[36] Even if the framework's sweeping generalizations about current economic trends are accepted, the proposed mode of adjustment is not the only one possible.

The problem is, however, deeper than the reality that Johannesburg is presenting the quest for "world class" status as the only option on the strength of overreaching and unsupported claims about the global econo-my. The framework document is remarkably remiss in explaining what a world class city is and how municipal officials eager to help achieve this status should go about reaching the goal. On the first score, even if the analysis criticized in the last paragraph were to be accepted, what practical tasks does this pose for the city administration? What are they meant to do about achieving a flexible labor market when the labour relations regime is established by national legislation? Or about achieving a skilled work-force when the council runs neither universities nor technical colleges? What research support to industry can be offered by councils that have invested major effort in merely balancing their books at the cost of pro-viding lower levels of service than required? Does the reference to infra-structure mean only that which contributes to the commercial activities cited is to be developed? In short, the stated desire to become a "world class city" does not translate into a neoliberal charter that advocates ignor-ing the poor in the search for global investment—it translates into nothing that could be described as a coherent plan of action.

This point is underlined when we examine the rest of the framework, which spells out an agenda for the city that appears entirely unrelated to the points made about the global context. The section in which the global issues are mentioned goes on to discuss the legislative framework, regional context and current trends in the city—every point would be valid even if no changes were said to have occurred in the global economy. Nor do other sections of the framework attempt to apply the concern for global competition to governance challenges. Thus the section dealing with governance,[37] under the rubric "Getting the Basics Right," proclaims a set of policies which includes: visible service delivery; institutional reform designed to create a city that is "visionary, accountable and democratic"; financial viability; management by performance; and, developing an integrated urban management system. The appropriateness of some of these proposed solutions can be questioned—to mention but one, management by performance, as we shall see, may have perverse consequences. Why they flow from a concern with "world class" status is unclear.

The section is followed by one on economic growth in which the global theme is more explicitly stated: Johannesburg, we are told, wishes to become "A Global City with a Regional Focus." But again, what this means is less than clear. The city, we are told, will 'create the conditions for investment and growth' by assessing infrastructure requirements for investment and evaluating the need and cost for incentives; it will develop its "regional and global strengths as a finance and business service centre," but the elements of this program are vague and incoherent; promote high value manufacturing in sectors such as radio and communications, computer and office machinery, motor parts and accessories, synthetic resins and sporting equipment—an eccentric set of choices that is nowhere explained and that may now be replaced by a more predictable but equally unsubstantiated preference for information technology[38]—by ensuring necessary road and service infrastructure and facilitating cluster exercises; retain and expand investments, particularly in the central business district, which will be more effectively managed; support the development of small, medium and micro enterprises; promote culture and tourism; and, support agricultural development to the city's south.

To the extent that this agenda relates specifically to boosting the competitiveness of firms, it is outside Johannesburg's jurisdiction since cluster exercises, for example, are the responsibility of the national Department of

Trade and Industry, which has invested effort in this endeavour. The rest clearly has little or nothing to do with theories of how cities attain "world class" status. If we apply the simple counter-factual test of asking what Johannesburg would want to do if it did not wish to be world class, in what way would the list differ? Surely it would still want better infrastructure, a more hospitable CBD, more tourists and more productive small businesses. About the only proposed intervention that follows logically from the implied need to compete with other cities is the talk of incentives, but there is no firm commitment to them.

In a sense, Johannesburg's treatment of this topic bears eloquent testimony to Paul Krugman's assertion that the current fetish with the "global competitiveness" of cities, as well as regions and countries, is based on a fundamental misapprehension of classical economic theory.[39] The term "competitive," he suggests, is more appropriate for firms rather than states or regions. In the former case, a company in a market economy must be able to offer a sufficient edge over its competitors, at least in a part of the market, to ensure that it retains customers and thus stays in business. To make the same claim about cities (or countries), however, assumes that, unless they outperform their "competition," they will stagnate. This ignores the theory of comparative advantage that points to the potential complementarities—rather than "zero sum" competition—between economies. The policy implications are profound: rather than seeking to outperform other cities, it invites urban managers and leaders to identify the strengths and potential strengths of their particular area that might enable them to maximise their comparative advantage and so stimulate growth. Since Johannesburg's attempt to become New York is based on deeply flawed assumptions, it is no surprise that it should produce intellectual confusion.[40]

Finally, contrary to the left critique, Johannesburg's interest in global competitiveness does not prevent the framework moving on to a section on "Equity and Integration" which seeks to address poverty and inequality through measures such as ensuring minimum levels of shelter, promoting an effective public transport system, fostering a sense of community identity and ensuring quality facilities and open space for all. Later sections deal with ensuring residents' safety, protecting the environment, and a host of other measures designed to improve residents' quality of life. Poverty and inequality are repeatedly decried and measures to address

these problems are proposed. So being "world class" does not preclude a place in the sun for the poor. It is simply not clear what it means and what it has to do with the council's strategic goals and plan of action.

This is not surprising, for we are rapidly approaching the punchline. Having devoted considerable energy to promoting the goal of becoming an "African world class city," the council acknowledges that it does not know what this means: the "business plan" of its *iGoli 2010* exercise designed to chart the city's future declares its intention to identify the elements of the world class city![41] This begs an obvious question: why is the council pinning its colors to the mast of a goal it is yet to define? How does it know that it wishes Johannesburg to be "world class" if it has not yet worked out what this means? We will return to this question. First, however, we need briefly to examine how the council has translated its new approach into practical governance.

Thinking—and Governing—the City in Practice

The abstract notions described above have been accompanied by a new approach to governance which has been seen by left critics as confirmation that "world class" is merely a synonym for "neoliberal." As implied above, that judgement is simplistic, describing only an aspect of reality, for one key feature of the council elite's approach is hardly consistent with neoliberal thinking—enthusiasm for centralized municipal governance.

This preference is not, it must be stressed, peculiar to Johannesburg's planners and officials. Much of the centralizing impulse emanates from the national leadership of the governing African National Congress—which, for example, decided that all its mayoral candidates should be appointed by a national committee.[42] Similarly, current centralizing moves in Johannesburg are a consequence of national legislation, the Municipal Structures Act, enacted to implement the national Department of Constitutional Development's White Paper on local government.[43] But, with one exception, these changes are not being foisted on Johannesburg's municipal strategists—indeed, they may well have originated in the upper echelons of the city bureaucracy. They are assiduously and enthusiastically promoted by the city in its documents and by senior officials in their response to media questions.

Two changes are relevant here. The first is the introduction of the "unicity"—a single metropolitan council and administration for the entire

metropolitan area. At present, Johannesburg, like other South African metropolitan areas, has two layers of city government. First, four local councils administer parts of the city: each has a directly elected local council. Second, voters have elected metropolitan authorities tasked with taking decisions that affect all four sub-regions. This is soon to end: after the December 2000 local elections, the local councils will be abolished and the entire metropolitan area will be governed by a single administration and a directly-elected metropolitan council. This change was first mooted by the Johannesburg ANC—and fiercely resisted by the white-led liberal opposition and its constituents; it later became both ANC and, with the passage of the White Paper, government policy.

The ostensible rationale for this change is, according to the GJMC, that the current two-tier system "has produced a situation where the local interests served by a metropolitan local council often compete and even conflict with the priorities of the city as a whole." It adds that the "fragmentation and competition make it difficult to produce a cohesive political and redistribution agenda for the city."[44] During a heated public debate on the "unicity," lasting several months, it became clear that this sort of technical formulation expresses two claims—first, that the local councils are somehow working at cross-purposes with each other and second, that those who defend them are seeking to protect white local power and privilege.[45] No evidence is offered for the first claim, which is perhaps not surprising since the local councils had no powers insulating them from the authority of the metro council, which could, if it wishes, determine city-wide priorities. If local councils were indeed sabotaging metropolitan planning and development, the metro council could have overruled them: it did not. The second is even harder to understand since all four local councils have an ANC majority and electorates in which black people predominate: why white residents would be better insulated from the political majority by being governed by five ANC councils (four local councils and the metro) rather than one is yet to be explained. But for much the same reason, the opposition charge that the ANC has steered through the change in order to reduce opposition representation in metropolitan government is equally untenable since it does not explain how the ANC derives greater power by closing down councils which it controls.

Why then the unicity? Discussions with officials and politicians suggest that the rationale lies less in political calculation than in the extremely

old-fashioned notion that difficult realities are best controlled by central-izing planning and decisionmaking. Inevitably, Johannesburg proved far more difficult to govern than the bright-eyed documents of the CWMC or the visions of development planning devotees had supposed. This was particularly frustrating for an elite nurtured in a political tradition in which control of state power was meant to provide the means to overturn decades of racial subjugation,[46] and which had, as black people, suffered for decades under a system which proved adept at stamping its will on socie-ty. It was hardly surprising that the solution would come to be seen as a concentration of powers and functions in a single place where, in theory, they could be more effectively executed. This desire to create a friction-free governance environment may also explain one of the unicity model's core flaws, its failure to provide a level of representation which would heighten the accessibility of local representatives to citizens through, for example, a variant of the borough system used in one of the world's more effective exercises in metropolitan government, the Greater London Council. This paper will return to this theme. For now, suffice it to say that concentrating functions in a single place where reality may seem to be better controlled is seen by senior municipal officials as an important counter to the unpredictability and, often, intractability of the city they seek to govern.

A further move towards centralization is the report of the national Demarcation Board whose investigation into city boundaries has reduced the number of municipalities from over 800 to less than 300. The effect on Johannesburg is to widen the metropolitan area's boundaries to the east and north. While Johannesburg officials opposed some of the details of the change (the single exception to local endorsement of national gover-nance), it accords with the dominant thinking in this council in which technical considerations such as economies of scale and presumed greater ease of administration take precedence over citizen participation or gov-ernment responsiveness. It is in precisely these terms that the reduction in the number of councils was justified.[47]

Greater centralisation has not, however, meant a heightened local state role in addressing inequities. It has, rather, been accompanied by the for-mulation and implementation of *iGoli 2002*, the city's short-term plan to restructure its functions. This strategy has polarized opinion within the ANC camp where it is opposed by the Congress of SA Trade Unions and

its affiliate, the SA Municipal Workers Union, and by the South African National Civic Organisation.[48] A Johannesburg ANC councillor, Trevor Ngwane, was expelled from the movement for opposing the plan and has since mobilized a group of independents opposed to municipal strategies and actions that it deems inimical to the interests of the poor such as cuts in the supply of services to people or areas of the city that do not pay for them and municipal privatization.[49] At the time of writing this paper, municipal trade unions were due to resume strike action against *iGoli 2002*; but, while previous actions had been of limited duration, union leaders declare this strike to be indefinite.[50] Given this background, we would expect *iGoli 2002* to be an unequivocal recipe for abdicating traditionally public functions to private agents.

In reality, it is a rather confusing strategy which, while it certainly does provide for privatisation of services such as the local zoo and fresh produce market, arguably shows a greater penchant for tinkering with structures than it does for selling off services to the highest-bidding private profiteer. Thus a key feature is the establishment of UACs (utilities, agencies and corporatized entities) to assume city functions, all of which are classified as municipal business enterprises (MBEs) by the recently promulgated Municipal Systems Bill. Utilities will play the traditional role of providing services for which a user charge is collected and are therefore expected to be self-financing; agencies will also provide public goods, but those for which no user charge is collected—roads, parks, cemeteries—and will therefore be funded by general council revenues. Only corporatized entities will be driven by market principles and are not responsible for basic services: the municipal bus company is the only function providing a direct service to the poor that is scheduled for corporatized status but its managing director's contract binds him to restrict fare increases to the inflation rate.[51]

At first glance, their planned structure does seem to confirm that much of what the city does is being privatized since UACs are to be established as autonomous companies, with their own board and managing director. Public enthusiasm for the new entities has doubtless not been enhanced by revelations that their chief executive officers will receive the country's highest public service salaries, exceeding in some case those paid to the directors-general who head national government departments.[52] But the council will, it appears, remain the sole shareholder and will "receive div-

idends in the case of utilities and provide subsidies in the case of agencies and certain corporatized entities." It will also regulate issues such as tariffs, capital spending, skills development, delivery targets and standards for customer care.[53] Perhaps the only hint of a basic service privatization "Trojan Horse" is a plan to appoint a management contractor to run the water utility because this is seen to "provide an injection of new skills into the arena and introduce innovative and appropriate management practices."[54] Why these are needed in water management but not in electricity— where the utility is apparently to manage without such a contractor—is not explained. But the appointment of a contractor is, at most, a form of public-private partnership: it does not necessarily imply privatization.

None of this means the claim that Johannesburg's council is seeking to divest itself of difficult problems by handing them over to private business is necessarily a canard: it is certainly possible to construct a credible analysis in which the council, acutely aware of the redistributive tradition within the ANC[55] and the extent to which important elements of the movement remain committed to public provision, is seeking to clothe the victory of the market in institutional and rhetorical fig leaves. Certainly, some council approaches of the past couple of years are a far cry from the development planning rhetoric of the mid-1990s, which envisaged sensitive planners working with citizens' groups to spread the city's resources more widely and fairly among its residents. To name but some examples: aggressive "credit control" methods to collect service arrears have promoted service cuts in black areas; street traders have been cleared from the sidewalks and shepherded into council-provided markets which are said to be far from customers and to demand rents which hawkers cannot afford; direct action against poverty is limited to a narrow and restrictive indigency program which reaches only about 18,000 people and extends to them the princely sum of R90.57 (about US$12) a month in subsidized services; and, inaction against the increasing trend towards "gated" suburbs, shut off from non-residents by private security companies. Johannesburg's housing delivery record is said to lag behind that of less well resourced municipalities in Gauteng province.[56]

Further evidence for those who see a trend towards concern for the interests and agenda of business rather than other residents is the performance of Gordhan, who, despite his radical history, is about to leave the city for a large commercial bank. He was brought to the council at a time

when, as noted above, the city faced bankruptcy, on a performance con-
tract that mandated him to "turn around" the finances and offered him a
handsome bonus for doing so. He delivered—and, to the delight of busi-
ness, a substantial deficit has been obliterated. But this comes at a cost—for
the middle classes as well as the poor. To cite but one oft-noted legacy of
Gordhan's reign, more than 1,300 street lights are reported to not function
daily, while 900 traffic lights are said to fail yearly, causing substantial dis-
ruption to city traffic.[57]

    Nevertheless, balancing budgets and privatizing services is not the only
concern of Johannesburg's local government. It has, for example, been
engaged in a concerted attempt to reverse the decline of the inner city by
working with local residents as well as businesses to enhance personal safe-
ty, extend services and improve the quality of the environment. It has also
championed the "step tariff" that seeks to extend water to poor house-
holds free of charge through cross-subsidization by affluent users. While
the once prevalent rhetoric of popular participation has abated, partly giv-
ing way to the fashionable notion of the citizen as consumer,[58] the *iGoli
2010* strategic exercise does retain the notion of civil society participation
in decisions, even if labour and the civic movement have threatened to
withdraw, complaining that their concerns are not being taken seriously.[58]
A careful reading of its official documents indicates a continued stated
concern for poverty and inequality: while some may dismiss this as disin-
genuous, it testifies at least to the extent to which South African history
and politics make unqualified statements of neoliberal intent or classic
"marketization" policies untenable. The evidence is simply not clear
enough for us to endorse the standard judgement that Johannesburg's offi-
cials and planners have abandoned a concern for equality and participa-
tion for uncritical obeisance to the market.

    The real story told by current thinking in Johannesburg may be, there-
fore, not the degree to which it differs from previous paradigms, but the
degree to which it repeats them in a new context.

Old Wine in New Bottles: Today's Agendas, Yesterday's Paradigms

What possible continuity could there be between an approach that stress-
es participatory development and a focus on the poor to one that relies on
fashionable management methods and government recipes to prettify
Johannesburg in the eyes of investors?

First, the notion of "world class" city requires further examination in the light not of world trends but of a specific local dynamic, the politics of race.[60] This paper has noted that the "world class" aspiration is repeatedly proclaimed, but rarely, if ever, justified as a means of addressing the real development challenges that face the city. The reason may lie less in the implied intellectual ineptitude of the city's politicians and strategists than in the possibility that the accent on "world class" is meant to meet a very different need, one that is psychic and emotional rather than material.

Post-apartheid politics have been underpinned by a theme often not stated overtly, but which is pervasive: whites expect a black government to fail and the leaders of that government are well aware that they do. It is, therefore, a key preoccupation of much of the new governing elite to demolish these assumptions by demonstrating that black people can govern an industrialized society with a complex market economy to show whites that assumptions of black inferiority are myths. The ANC leadership is well aware that attitudes in the North about Africa mirror those held by local whites.[61] Ironically, the new political elite can only dispel the myths by demonstrating competence *on white terms*: how else to prove to white sceptics that race is no guide to competence than to succeed at those endeavours that whites hold dear? In a paradox that would no doubt have intrigued Frantz Fanon, many in the new black elite believe that they can only demolish race prejudice by embracing one of its cornerstones, the belief that there is a "white" and a "black" way of doing things and that the former is superior to the latter. In many cases, assumptions about what whites value may be as stereotyped as suburban myths about what blacks are good at; but myths and generalizations can, of course, shape actions whether or not they are empirically valid. And, since whites are known to measure Johannesburg not against Kampala or Abidjan, but against those Northern cities labelled "global" by Sassen's writing, they are perforce the benchmark against which Johannesburg must be measured. Many whites, imbued with deep forebodings of the consequences of majority rule in Africa, are concerned to maintain the standards of Western Europe and North America, to which they were accustomed under apartheid. They therefore measure the new society's progress not against its capacity to include the once excluded, but against its ability to offer as amenable a home as the Northern countries to which whites with the requisite will and resources tend to emigrate. It is against these stan-

dards, therefore, that the black elite must measure itself if it wants to per-suade these whites that competent black government is possible. The result is an enthusiastic willingness to imbibe fashionable theories of public and economic management from Western capitals, not because, as in some other parts of the South, the World Bank and the International Monetary Fund insist on it, but because domestic intergroup dynamics dictate it.

To belabour the point, the reason why none of the Johannesburg documents show why the city needs to be "world class" in order to address its key challenges such as poverty and inequality—or, indeed, even to achieve economic growth—is that this is not at all why the new elite believe it needs to achieve this status. Johannesburg's quest is merely part of a much wider concern among the country's post-apartheid governing elite with demonstrating that post-apartheid South Africa is capable of "world class standards." Whether the subject at hand is constitutional design, public management systems or inventing new technologies, the elite, regardless of race or political allegiance, is obsessed with achieving "world class" status. And the roots lie in the need to address notions of racial superiority, not in the quest for more effective forms of urban governance. Lest this appear as a fanciful academic construct, President Mbeki said as much when he argued that Johannesburg was the city to which most Africans looked as a lodestone: its success or failure would, therefore, he added, do much to advance or retard notions of self-esteem which lie at the heart of his administration's quest for an "African renaissance."[62] The stress on an "African world class city" relates, therefore, less to the nature of the city than to the group for whom world class status is said to be important.

Second, the egalitarian, participatory planning mode and the stress on "world class" have something in common that few commentaries have noted, a shared belief in the assumptions of "high modernism," under-stood as the "unbounded faith in the ability of experts to understand and transform the world."[63] Regardless of the society in which it is applied, this view is profoundly hostile to democratic politics premised on an assumption that different groups of citizens may hold differing views on the good society and on the strategies required to reach it, and that the free public interplay of conflicting visions and interests is desirable since it makes it more likely that some common understanding of the truth will be achieved.[64] For "high modernism," the truth has already been discerned

and government is a matter of technique—the constant interjections of persons who have not received the proper training is not an expression of democratic enthusiasm to be celebrated, but an interference in the pursuit of technically appropriate policy to be deplored and avoided. It is also prone to the Leninist fallacy that equates control of state administration with power to reshape the world at will.[65] If we look for traces of this thinking in the urban struggle against apartheid, we will find that the golden age is far less golden than it seems: the change is not a paradigm shift but merely a case of using the same understandings to transform the world, albeit in the service of the market and the siren call of competitiveness, rather than the egalitarian state.

To understand this, we need first to question uncritical analyses of the urban struggle against apartheid as a moment of democratic energy. Urban resistance was an integral part of the wider fight against the system and was informed by the same assumptions, in which both populist nationalism and Leninism were highly influential. While it is important to acknowledge the very real democratic impulses that drove much of the struggle against minority rule, it is also necessary to point out that the dominant strain of liberation thinking was more inclined to value notions of homogeneity than to celebrate difference. This is perhaps inevitable, given that the exaltation of difference was used to provide intellectual underpinnings for a system of racial domination. But the result was an approach that saw a single political tradition as the sole legitimate vehicle of majority aspirations[66] and those who remained outside it as traitors to freedom's cause.

Underpinning this approach was the notion of "the people" as a homogenous whole whose common experience of racial oppression also ensured, by implication, a uniformity of interest and values. At the local level, this found expression in the notion of "community"[67]—understood once again as a uniform, almost organic, entity[68] that could be represented by a single civic association or "community organization." Since there were and are multiple vehicles of black political expression[69] and a range of interests and values in black residential areas, the effect was to provide a justification for ignoring both pluralism and the need for effective representation—if the "community" had a single will then presumably it could be effectively led by those who divined that will, regardless of whether anyone actually joined or participated in its deliberations. To be sure, not

all civic associations behaved in this way: but, in many cases, it remains true that civic leaders simply assumed a mandate from their putative constituents and that, after democracy was achieved in 1994, citizen participation forums in which the new authorities consulted "community organizations" were very often a vehicle for members of the elite who had not subjected themselves to any test of representativeness to claim guaranteed access to those who had.[70] And, for our purposes, the crucial point is that the notion of "community" provided a foundation for an approach in which the interests and values of citizens were assumed to be uniform and capable of discernment by leadership—a model of 'high modernism' in which the expert derives expertise not from technical knowledge but from privileged access to the mind and will of the "community."

This way of seeing the world was, as suggested earlier, reinforced by the experience of living in a society in which minority rule had been effectively enforced by a white political party that had effectively used the state not only to impose its will on society but also to radically alter the material circumstances of its white Afrikaner constituency, whose conditions in the 1930s had been similar to that of many black people today.[71] It was, therefore, assumed that a majority ruled government could similarly use the state to eliminate the racial inequities created by apartheid. This enthusiasm has been predictably leavened by the collapse of the Soviet bloc and the changes in the international intellectual climate that followed it, as well as by the fact that the ANC and its allies did not seize state power from a vanquished enemy but negotiated it in a process which left it acutely aware of the need to take into account the interests of those outside its fold.[72] The sharp moderation of plans for government intervention in the economy and enthusiasm for public-private partnerships as a means of addressing infrastructure and service delivery backlogs[73] are consequences. But it has persisted in a tendency to devise policy and strategy that radically overestimates the capacity of the state by overloading it with tasks and goals that are beyond both its current capacity and funds.[74] Perhaps its most salient current legacy is the already mentioned penchant for centralization that has accentuated markedly with Mbeki's accession to the presidency in 1999.[75] This eminently "high modernist" response—because it assumes that governance problems are better addressed the more they are insulated from society and placed in the hands of "experts"—has been accompanied by another, less obvious, symptom, an

"ideology of delivery" in which the business of government is said to be the delivery of goods and services to the populace, rather than, for example, providing a site for participation by the citizenry.[76] Governance is seen as a matter of technique alone: to the extent that democratic politics intrudes on it, it is an impediment to, rather than an essential ingredient of, effectiveness.

This "high modernism" is evident in both the municipal agendas discussed in this paper. The mid-1990s "alternative planners" talk blithely of "densification and infill of the existing urban system" or "restructuring budgets to meet development objectives" as if changing land use patterns and funding allocations was a matter of appropriate technique rather than of interest conflicts that create challenges for negotiation and for representative politics.[77] Even their interest in participation may betray a "high modernist" agenda: proposing a "participatory process aimed at empowering the poor and marginalized" bespeaks, at first glance, a desire to work with grassroots citizens towards common objectives. But other interpretations are possible. Thus, what does the word "empowering" or its corollary, "empowerment"—so ubiquitous in contemporary South Africa—mean? It could simply be intended in a procedural, facilitative sense: a process may bestow upon people the formal power to participate. But it may also imply that power is, somehow, a capacity that can be transferred from those who have it to those who do not[78] by some sort of technical process; people lack power unless it is bestowed upon them by some official process. This is, arguably, high modernism taken to its logical consequence since it implies that the "poor and marginalized" can attain power only if the technicians find the appropriate "participatory process" to bestow it.

Given the frequency with which South Africa's elite tends to undervalue the capacities of the grassroots—evinced in, among many other manifestations, an obsession with measures to persuade people to engage in democratic participation and to teach them how to do it, despite the overwhelming evidence that they require no education[79]—the latter interpretation seems highly plausible. Equally importantly, the second interpretation fits far better the approach to participation adopted by the first post-apartheid administration, which instead of seeking to strengthen the representative system and enhance access to it, devoted considerable effort to creating a host of forums that sought to simulate representative govern-

ment.[80] The effect was not to enhance participation but to channel it into easily administered channels and thus, in theory at least, to divert it into forms more convenient to officials. Democratic participation was, therefore, seen not as an antidote to the rule of the technician, but a process that could only be technically produced.

The "world class city" documents discussed here simply transfer this approach to a new object. First, the high modernist theme is continued in the fascination both with institutional tinkering—it was implied earlier that *iGoli 2002* is perhaps more remarkable for its entirely unsubstantiated assumption that changing the structure of municipal service delivery will somehow also change its quality than for its desire to embrace neoliberal orthodoxies such as privatization. The assumption is clear: governing a complex, unequal, politically and racially divided conurbation struggling to consolidate democratic government after two decades of social conflict is a matter of getting the structures right, not of seeking to reconstitute the state-society relationship.

Similarly, the current approaches display great enthusiasm for "new" management techniques—business methods translated into local government. We have already mentioned one: Gordhan's performance contract obliging him to eliminate the deficit. But this is only part of a wider interest—throughout South African government at present—in "performance management systems"[81] some of whose features include the signing of fixed term contracts with top managers, "regular reviews, performance contracts and management development." A similar enthusiasm for "Management by Performance" is evident in the SMDF which proposes to: 'develop best practice standards'; 'investigate and implement the concept of "best value" ' (which is nowhere defined); and benchmarking targets. Now, this eagerness to reduce the process of governing to a managerial exercise equivalent to running a corporation is not exclusive to South Africa's elite, let alone that of Johannesburg: it has become pervasive in the approach of many donor agencies and governments as well as that of multilateral institutions such as the Commonwealth. Besides creating an illusion of order and governability, it also offers donors an excellent excuse to remove the political from the equation, reducing governance to a technical process on which donor and beneficiary government can agree. But, in South Africa, the racial dynamics and political history sketched here serve to create a community of interest between the new elite and donor agen-

cies in which the desire of the former to show that it can reshape the society in a "world class" mold reinforces the latter's current enthusiasm for reducing the process of government to a laboratory for the latest management fads.

Finally, if the 'high modernist' intent of current governance approaches needs further evidence, it can be found in two continuities between the current generation of Johannesburg policy documents and their predecessors. The first is the continued propensity to assign to government a vast array of tasks: this paper has already noted that the SMDF commits the GJMC to goals ranging from the promotion of selected industries and building a skilled workforce, through removing poverty and inequality to protecting the environment. While this may stem from an unwillingness to make unpopular choices, it also suggests a confidence in the capacity of government—albeit now no longer operating on its own but in 'strategic partnership' with other actors—to shape the world, provided, no doubt, that the proper management techniques are employed. The second is the propensity to reduce highly complex tasks to routine items on the management agenda. Thus the council declares its intention to "enhance the international competitiveness of local industries" or "provide business support to small scale entrepreneurs"[82] without any further elaboration as if the manner in which industries may become more competitive and small businesses more productive is self-evident; by implication, all that is required is that city managers fit this task into their daily schedules.

This "high modernist" continuity may explain why, despite the continued enthusiasm of Johannesburg's strategists and planners for fashionable governance theories, they have responded to current challenges with profoundly "old-fashioned" responses. While others explore the potential meaning for local governance of conceptions suggesting that it is the relation between "governors" and the "governed" rather than the actions and strategies of the state alone[83] that determine capacity to govern, and when decentralization is endorsed by both left and right, Johannesburg's planners rely on centralized control, management technique and a shopping list of goals in which working with citizens is noticeably absent and the ability of the officials and technicians in council offices to "deliver" to a grateful citizenry continues to be assumed. The ability to change the world by the proper application of technique is assumed—only the desired change may have shifted a little. Or to put it another way—the

anti-politics once employed in the service of overthrowing privilege through the state has now been deployed seamlessly in the service of the market. The objectives may have shifted to a degree—the assumption that governance is a matter of will and technique isolated from politics, however, remains unchanged.

Recovering Politics: Towards an Antidote

But why decry the emphasis on technique? Are citizens not better served if local governments are better run? And what is wrong with a little ambition among urban managers and planners? Surely cities are better served by governments that are too enthusiastic about their ability to make a difference than by those that are not enthusiastic enough.

It is important to stress here the nature of this critique. The point argued here is not the familiar argument that local governments such as Johannesburg's ought to be better aware of their limitations: indeed, it could be argued that this is precisely what its strategists are heeding by withdrawing from aspects of city governance and by seeking private partners. Rather, the flaw argued here is a failure to understand *how* a city such as Johannesburg might be effectively governed. Rather than a 'high modernist' stress on technique and on control, it is suggested, the key to effective local government relies on a revived respect for democratic politics.

The implication of the governance approach discussed by Patricia McCarney[84] and colleagues is that city governments need to find ways of working with society rather than relying on their own efforts alone. It is open to question whether this diagnosis and prescription describes a new phenomenon—effective governments have, arguably, always required a co-operative relationship with society if they are to govern: whatever techniques they may have employed, for example, the post-World War II social democracies of Europe arguably owe their success as much if not more to the mobilization of organized labor as to the efforts of welfare bureaucracies.[85] But this scholastic quibble does not gainsay the need to see governance not as a matter of the correct management technique, but as a means of achieving a partnership between (local) state and society. It has been argued here that, even in their "progressive" phase, Johannesburg's post-apartheid planners are interested less in working with society than in channelling it into "participatory processes" that are favored because they are more amenable to frictionless administration

than the robust and messy world of real public mobilization. For illustrative purposes, we may contrast this desire to channel public participation into proper administrative channels with the strategy of the government of the state of Kerala, India, which seeks actively to work with mobilized sections of civil society to achieve its goals.[86]

But a stress on state-society partnerships is not enough. Without clarification, this formulation risks reinforcing the notion of a harmonious undifferentiated civil society that has done much to hamper democratic progress in South Africa. Civil society, like democratic political society—and like the "communities" that are regularly misrepresented in South African local political rhetoric—is not a realm of harmony but of difference: to suggest that the local state ought to work with society is to beg the question of which section it is to work with. Classical democratic theory which posits a bureaucracy entirely neutral between society's factions notwithstanding, city governments have goals and both their governing officials and politicians aware of the importance of politics will inevitably find themselves, like the government of Kerala, seeking alliances with those sections of society that are sympathetic to them and encountering opposition from those who are not. And this inevitably implies the need to take politics seriously—as an opportunity rather than a constraint because it provides a vehicle both for finding allies in the search for common goals and for accommodating opponents in ways that enable plans to be implemented at minimal social cost.

To the extent that Johannesburg's "high modernists" acknowledge politics at all, it is to inspan it in the service of technique. Thus, in one of current council documents' few references to politics, the SMDF urges the need to create "the correct political will to get things done."[87] This notion of "political will" is popular in South Africa at present among those favoring speedier market-based reform. Essentially it refers to the propensity of elected representatives to implement the favored solution of the reformer. Like much of the literature currently emanating from international financial institutions, democratic politics is seen, at best, as a means of achieving predetermined policy outcomes rather than as a way of choosing which outcomes are to be pursued—the idea of democracy as "bounded uncertainty,"[88] as a system in which outcomes are not pre-determined because they are the result of the free contest of competing ideas and interests, has been replaced by the notion of politics as a servant of technical gover-

nance, precisely the opposite relationship to that posited by democratic theory.

The point is not solely normative, although it is that too because the notion of local democracy as the right to speak and to resolve differences through agreed procedures is in danger of being replaced by formal local "democracy" as a means of choosing the implementers of plans devised by unaccountable technicians. As Johannesburg's recent experience shows, the effective governance that its planners and strategists seek is simply impossible without a renewed respect for, and appreciation of, democratic politics. To name but a few examples, during its first term, Johannesburg's first non-racial and democratic metropolitan government has had to contend with: a lengthy boycott of local taxes[89] by affluent white residents and businesses resisting a sharp increase; white flight to the suburbs, which may be driven as much by perceptions of predominantly black areas as factors such as rising crime and declining environmental quality; significant local resistance to its "credit control" initiatives aimed at recovering municipal revenues; significant local tensions centering on land invasions; the failure of "community" participation exercises in the inner city to secure residents' co-operation; and, substantial trade union and civic association resistance to *iGoli 2002*. That these conflicts impede effective governance goes without saying; the assumption that they can somehow be dissolved by more effective public management techniques rather than by political responses is fanciful.

Earlier, this paper implied the need for cities such as Johannesburg to abandon the "competitive city" paradigm and to rely instead on comparative advantage. An examination of Johannesburg's history prior to the establishment of non-racial local government suggests that one of its comparative advantages may be a capacity to resolve conflict, illustrated by the negotiations of the 1980s and, of course, the CWMC exercise of the early 1990s. Given the copious evidence that this capacity has concrete economic benefits,[90] this may well prove a more important asset than, for example, the financial and physical infrastructure cited in the SMDF. Its *iGoli 2010* planning exercise could be seen as an attempt to inspan this advantage. However, in reality, it appears to be yet another attempt to channel public participation into carefully managed avenues (and perhaps, given the degree to which the council has embraced the "world class city" idea, predetermined outcomes) and the effect thus far has been to

create rather than to manage conflict. A deepening and broadening of representative government and democratic politics may provide more effective counters to conflict by offering the city's competing interests and visions an opportunity to shape the contours of a future Johannesburg in open, but rule and norm-bound, contest. Similarly, the activists who played so crucial a role in bringing local democracy to Johannesburg may be far more adept at the important arts of mobilization and political bargaining than they are at performing the management tasks associated with the "world class" city. And yet there is little in Johannesburg's current approach that would enable them to continue using these talents in the city's service.

Clearly, there can be no objection to Johannesburg's managers acquiring better techniques. But, without a willingness to engage with the politics of the city in a way that sees difference and conflict as both inevitable and functional, provided it is channelled through the rules and governed by the norms of democratic politics, the malaise will continue regardless of the new structures and techniques employed by city managers. Rediscovering democratic politics in Johannesburg is, therefore, an essential management strategy as well as a reaffirmation of the goals for which South Africans fought and died for much of the last century.

Conclusion: Beyond the City Limits

Johannesburg's governance paradigm may stem to a large degree from peculiarly South African factors. However, it is not unique and some of the lessons that it implies are of relevance well beyond the city's borders.

First, Johannesburg's city planners and managers may have particular reasons for wishing to become "world class" but it is hardly the only city whose local government is influenced by the ideas which exhort cities to compete with each other for this status; indeed, the notion that cities need to compete with each other for investment has achieved something akin to the status of a conventional wisdom.[91] But nor is Johannesburg the only city in which there is a pressing need to submit the notion of the "world class" or "competitive" city to critical scrutiny. While a full critique of this notion is beyond the scope of this paper, it may well be, as suggested above, that an application of the principle of comparative advantage may be a more appropriate paradigm to apply to the problems of city govern-

ment in the South: this implies that cities may be more likely to prosper if they are encouraged to base their development strategies on making full use of their existing assets rather than on trying to emulate those of the "global cities" of the North. And they may do so not because they are seeking a magic formula that will prompt investors to patronize their stall rather than that of their competitors but because it may enable them to channel the energies and talents already existent in their cities in ways which enhance material as well as social and cultural progress.

Northern countries and their development aid programs have an important responsibility here. The "world class city" paradigm is only one of a range of ideas peddled in the South that imply that, by adopting the measures and approaches of the North, Southern cities and countries can arrive at the same exalted state.[92] As in South Africa, these ideas gain influence not only or even primarily because Northern countries are rich and powerful enough to dominate their Southern counterparts but because, as Guillermo O'Donnell has noted with reference to democracy, Southern intellectuals and policymakers have internalized the notion that emulating the North is the surest route to its affluence.[93] But examples of Southern cities that achieved "world class" status—or, indeed, even made substantial progress—by emulating the approaches of their Northern counterparts are, to put it mildly, thin on the ground. Just as different societies find different routes to economic growth, the formulae that produce governance progress in one part of the world are not necessarily those that do so in others. The point is hardly original: a cursory examination of current governance literature suggests that the need to continue making it is as pressing as ever.

Second, while "high modernism" has not necessarily gripped the city planners and managers of the South with the same degree of fervor as the desire to become "competitive," the desire of Johannesburg's metropolitan council to avoid democratic politics is part of a widespread world trend in which the unprecedented spread of formal democracy seems to have been won at the expense of a narrowing of the scope for democratic politics: the more widespread the right to choose, the less there appears to be over which to choose. If Lenin reduced politics to administration[94] then it is ironically the apostles of the market who commit the same error today: democracy is routinely lauded in current mainstream treatments of governance and development, but that for which it is meant to provide the arena, democrat-

ic politics, is ignored or seen as an obstacle to rational and efficient public management.[95] But the depoliticized modes of local administration that currently dominate do not seem to have produced the Southern progress they promised, suggesting that Johannesburg is by no means the only city in the South in which an injection of politics may do far more to point the way to progress than the latest economic policy recipes and public management techniques. Local councils who seek to achieve their goals by forming alliances with mobilized citizens may be better able to provide a platform for development with limited resources than those who rely on fashionable technical thinking to achieve the same goal.

In sum, Johannesburg's city government has embraced "high modernism" primarily in response to traditions established by apartheid and the resistance to it. But its penchant for technique over politics, its desperate longing to become like the cities of the North rather than developing a viable local form of government based on its own human and physical resources, and its tendency to see diversity and vigorous competition between ideas and values as meddlesome interference with the search for "rational" policy and practice is perhaps merely a more concentrated form of some important current strands in thinking on governance in general, its local variety in particular. As the cities of Africa seek ways of building workable local government in the face of formidable odds and other cities in the South grapple with problems not dissimilar to Johannesburg's, its experience and the way in which its city managers and planners have responded to it may hold potentially valuable lessons—albeit mostly negative—for their counterparts elsewhere.

NOTES

1. For an account of the Soweto uprising and its urban policy dimension, see John Kane-Berman, *Soweto: Black Revolt, White Reaction* (Johannesburg: Ravan, 1978).

2. See for example Mark Swilling, "The Extra Parliamentary Movement: Strategies and Prospects," in *Negotiating South Africa's Future*, Hermann Giliomee and Lawrence Schlemmer, eds. (Johannesburg: Southern, 1989).

3. James Scott, *Seeing like a State: How Certain Schemes to Improve the Human Condition have Failed* (New Haven: Yale University Press, 1998).

4. All data, unless otherwise specified, are drawn from Greater Johannesburg Metropolitan Council (GJMC), "Demographic Information for Greater Johannesburg and Gauteng," in *Strategic Metropolitan Development Framework (SMDF)*

(Johannesburg, 1999). See also www.joburg.org.za. Wording in this section that betrays an unwillingness to vouch for the data is deliberate: South African social data are notoriously poor and, despite apparent improvements since the end of apartheid, should still be treated with caution. To illustrate the point, both the lower and higher population estimates cited here are drawn from the same document.

5. For those unfamiliar with South African racial terminology, this term refers to "colored" people – usually of mixed or Malay descent – and Indians. In Johannesburg, colored people reportedly comprise 6 percent, Indians 3 percent. The former proportion is below the national average, the latter above it.

6. Ibid.

7. GJMC, "Development in Context: Global Context," *SMDF*. This figure is somewhat confusing – it is highly implausible that only 1 out of each 100 additions to the city's population is a migrant – but it is cited as it is given in the source.

8. GJMC, *iGoli Online: Building an African World Class City*, www.igoli.gov.za.

9. Jo Beall, Owen Crankshaw and Susan Parnell, "Local Government, Poverty Reduction and Inequality in Johannesburg," *Environment and Urbanization* 12, No. 1 (April 2000), 11.

10. Ibid.

11. Ibid, 109.

12. Haroon Bhorat and Rashaad Cassim, *Industry and Trade Policy: Is it Job-friendly?* (Johannesburg: Centre for Policy Studies Policy Forum, 1999).

13. Ibid.

14. Antoinette Louw, et al., *Crime in Johannesburg: Results of a City Victim Survey*, Institute for Security Studies Monograph Series No. 23, 1998; Antoinette Louw, *Crime in Pretoria: Results of a City Victim Survey*, Institute for Security Studies and Idasa, 1998; *Victims of Crime Survey* Statistics, South Africa, December 1998.

15. For a detailed study of inner city dynamics, see Alan Morris, *Bleakness and Light: Inner-City Transition in Hillbrow, Johannesburg* (Johannesburg: Witwatersrand University Press, 1999).

16. iGoli Online.

17. For a strong argument against the claim to uniqueness, see Susan Parnell, "South African Cities: Perspectives from the Ivory Tower of Urban Studies," *Urban Studies* 34, Issue 5/6 (May 1997), 891ff.

18. See for example, Jeremy Seekings, "Civic Organisations in South African Townships" in *From 'Red Friday' to Codesa: South African Review 6*, Glenn Moss and Ingrid Obery, eds. (Johannesburg: Ravan, 1992).

19. See Richard Tomlinson, "Ten Years in the Making: a History of Metropolitan Government in Johannesburg," *Urban Forum*, 2000.

20. This quaint transition nomenclature referred to the period during which cities would be governed by appointed multi-racial councils comprising sitting

councilors and nominees of anti-apartheid resistance groups. It was called "pre-interim" since the first batch of local councils elected in late 1995 and in 1996 were "interim" structures meant to negotiate within their first five-year term the form of permanent local government. In practice, the final form was determined by central government.

21. Mark Swilling and Khehla Shubane, "Negotiating Urban Transition: the Soweto Experience," in *Transition to Democracy: Policy Perspectives 1991*, Robin Lee and Lawrence Schlemmer, eds. (Cape Town: Centre for Policy Studies/Oxford University Press, 1991).

22. A sense of the thinking of the new breed of activists/planners who were set to govern Johannesburg is provided by Scott A. Bollens, "Ethnic Stability and Urban Reconstruction: Policy Dilemmas in Polarized Cities," *Comparative Political Studies* 31, Issue 6 (December 1998), 683ff.

23. For a definition of governance, see Patricia McCarney, Mohamed Halfani and Alfredo Rodriguez, "Towards an Understanding of Governance" in *Urban Research in the Developing World* Vol. 4, Richard Stren and Judith Bell, eds. (Toronto: Centre for Urban and Community Studies, University of Toronto, 1995); for the interpretation of South Africa as exemplar, see Sylvy Jaglain, "La Gestion Urbaine en Archipels en Afrique Australe," *Annals de la Recherche Urbaine* No. 80–81 cited in Richard Stren, "Making a Virtue of Necessity: From Local Government to Local Governance in African Urban Management," mimeo.

24. Steven Friedman, "Bonaparte at the Barricades: the Colonisation of Civil Society," *Theoria*, no. 79 (Natal: University of Natal, 1992).

25. It may be appropriate here to mention one key figure, Tshepiso Mashinini, who did much to shape Johannesburg's transition to non-racial democracy and who participated in a Global Urban Research Initiative workshop at the Johannesburg Centre for Policy Studies in late 1996. Mashinini was indeed one of those rare creatures, an intellectual of substance who understood practical governance. Tragically, he died suddenly in 1997. Whether the way Johannesburg's administration thinks its transition would have differed had he lived is clearly moot; but his loss, personally and politically, is immense.

26. Bollens, "Ethnic Stability." The following brief account of thinking during that time is drawn from his work.

27. See for example Central Witwatersrand Metropolitan Chamber, *An Interim Strategic Framework for the Central Witwatersrand Document 2, Policy Approaches* (Johannesburg: CWMC, 1993).

28. Tim Hart, former urban scholar now employed by a planning company, cited in Bollens, "Ethnic Stability."

29. Lawrence Boya, former Soweto Civic Association activist, then chief director of development planning, Gauteng Provincial Government, cited in Bollens, "Ethnic Stability."

30. This was, for example, the theme of a discussion between GJMC planners and scholars at the Centre for Policy Studies in mid-1998.

31. See for example Centre for Policy Studies, *South Africa Update* (Johannesburg: CPS/Canadian International Development Agency, April 2000).

32. The work cited by the Council's planners is Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton: Princeton University Press, 1991). It is, of course, trite to point out that none of these cities are global wannabes.

33. Saskia Sassen, *Globalization and its Discontents: Essays on the New Mobility of People and Money* (New York: The New Press, 1998).

34. GJMC, "Development in Context," *SMDF*.

35. Dani Rodrik, *The New Global Economy and Developing Countries: Making Openness Work* (Washington, DC: Overseas Development Council, 1999).

36. Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton: Princeton University Press, 1995).

37. GJMC, "Policy and Actions. Core Objective: Good Governance 'Getting the Basics Right," *SMDF*.

38. Remarks by President Thabo Mbeki, "Making Johannesburg an African World Class City," at the African National Congress Round Table, Johannesburg, November 29, 2000. I am grateful to my colleague Ivor Chipkin, Centre for Policy Studies, for sharing with me his notes of this meeting.

39. Paul Krugman, *Pop Internationalism* (Cambridge, Mass: MIT Press, 1998).

40. The argument that Southern cities may not find it as easy to follow Northern recipes for "competitiveness" is also made by Richard Stren, "Local Governance and Social Diversity in the Developing World: New Challenges for Globalizing City-Regions," mimeo, 2000. But, while this important essay mentions Krugman's implied critique of the "competitive" city notion it is concerned not to analyze the idea itself but to examine the obstacles that face its application in Southern settings.

41. "Business Plan," *iGoli Online*.

42. Centre for Policy Studies, *South Africa Update*.

43. Department of Constitutional Development, *White Paper on Local Government* (Pretoria, March 1998).

44. "Why the City Needs Change," *iGoli Online*.

45. Caroline Kihato, "'Megacity' Model is not the Route Greater Johannesburg Should Adopt," *Synopsis* 1, No. 4 (Johannesburg: Centre for Policy Studies, 1997).

46. For some thirty years, the ANC's manifesto was the 1956 Freedom Charter that spelled out an ambiguous but ambitious vision of a post-apartheid society in which the people's representatives would use state power to fashion a new reality on behalf of the majority. See Raymond Suttner and Jeremy Cronin, *30 Years of the Freedom Charter* (Johannesburg: Ravan, 1985).

47. Mike Sutcliffe, *Democracy and Demarcation*, summary of seminar held at the Centre for Policy Studies, with the support of the Friedrich Ebert Stiftung (Johannesburg: Centre for Policy Studies, 2000); Patrick Heller, "'Technocratic Creep' Threatens Local Government Reform," *Synopsis* 4, No. 1 (Johannesburg: Centre for Policy Studies, June 2000).

48. Cosatu, the largest national trade union federation, is formally in an alliance with the ANC, but they differ sharply on economic policy. See for example *South Africa Update*.

49. *Sunday Independent*, November 26, 2000.

50. *Business Day,* November 30, 2000.

51. *Financial Mail*, July 14, 2000.

52. Ibid.

53. "How Will the City Work?" *iGoli Online*.

54. "Water and Sanitation Utility," *iGoli Online*.

55. See for example the Freedom Charter in Suttner and Cronin, *30 Years*.

56. Beall, Crankshaw and Parnell, "Local Government."

57. *Financial Mail*, November 17, 2000.

58. See for example GJMC, "Key Objective: Quality of Life: Improve Customer Care Ethos and Practices by Establishing Performance Targets," *SMDF*.

59. Interview by author, SA National Civic Organisation activist, February 2000.

60. This analysis relies heavily on Steven Friedman, "An End in Itself: Democracy and the Building of Post-Apartheid South Africa," paper presented at colloquium on democracy in contemporary Africa of the Gulbenkian Foundation (Lisbon, June 2000).

61. A (white) South African mining executive tells of visiting fund managers in North America and Western Europe in an attempt to raise investment capital. His and his colleagues' pitch consisted largely of references to healthy economic fundamentals and progress in resolving conflicts. In many cases, the appeal was not persuasive. "But you have a black government," many of his audiences responded. Interview by author, senior mining executive, 1995.

62. Remarks by President Mbeki.

63. This apt formulation is that of Heller, "Technocratic Creep."

64. The classical contemporary formulation of this position is that of Bernard Crick, *In Defence of Politics*, 4th ed. (Chicago: University of Chicago Press, 1993).

65. For a critique of the attempt of Marxism-Leninism to eliminate politics by asserting a putative proletarian interest as an alternative to political exchange and contest, see A. J. Polan, *Lenin and the End of Politics* (London: Methuen, 1984).

66. For a critique, see Robert Fine, "Civil Society Theory and the Politics of Transition in South Africa," *Review of African Political Economy* 55 (1992), 71-83; Friedman, "Bonaparte at the Barricades."

67. The notion that people who happen to share a common urban space, residents of formerly black townships, are welded together into a homogenous "community" despite palpable differences of interest and value—and that leaders of particular organizations are therefore entitled to speak for entire "communi-

ties"—is rooted deep in transitional South African governance and political practice. Steven Friedman, *The Elusive 'Community': The Dynamics of Negotiated Urban Development* (Johannesburg: Centre for Policy Studies, 1993). Thinking on "community" has become more nuanced; in many cases, practice has not.

68. Ivor Chipkin, *City and Community: Local Government and the Legacy of the 'One City' Slogan* (Johannesburg: Centre for Policy Studies, 1996).

69. For the "classic" account of resistance political history, see Edward Roux, *Time Longer Than Rope: A History of the Black Man's Struggle for Freedom in South Africa* (Madison: University of Wisconsin Press, 1964).

70. Steven Friedman and Maxine Reitzes, *Democratic Selections?: State and Civil Society in Post-Settlement South Africa* (Midrand: Development Bank of Southern Africa, 1995).

71. See for example Rodney Davenport, *South Africa: A Modern History*, 2d. ed. (Johannesburg: MacMillan, 1981).

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91. Stren, "Local Governance and Social Diversity" notes the influence of the work of Rosabeth Moss Kanter whose work on American cities may well have coined the notion of a "world class" city.

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95. A key case in point is the 1997 World Bank World Development Report which is devoted to exploring the role of the state in development, but which dismisses democratic politics in half a page. World Bank, *The State in a Changing World: World Development Report 1997* (New York: Oxford University Press, 1997).

POOR CITIES IN A GLOBAL ECONOMY: PLAYING BY WHOSE RULES?

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Over the past decade, it has become an article of faith that cities and city-regions must successfully compete in the international arena if they wish to prosper. They must compete for hard investments (such as plants, commercial and financial centers, loan funds for municipal infra-structure), as well as for prestige of place. As a British writer puts it:

> The acceleration of the globalization of economic activity and the growing internationalization of investment flows have accentuated competitive pressure on businesses and led many cities to seek competitive advantage in the urban hierarchy…Cities are now part of an increasingly competitive world and place marketing has become an important part of economic development strategies. This emphasis on inter-area competition and place marketing has become clearly articulated and transparent.[1]

While there is a legitimate debate over whether cities as such, rather than firms and enterprises, can be competitive, the dean of the "competitiveness" school, Michael Porter, has made his position clear: cities and regions have an important role to play in assuring the competitiveness of their local firms and enterprises, particularly those in the "hi-tech" category:

> While classical factors of production are more and more accessible because of globalization, competitive advantage *in advanced industries* [my emphasis] is increasingly determined by differential knowledge, skills, and rates of innovation which are embodied in skilled people and organizational routines. The process of creating skills and the important influences on the rate of improvement and innovation are intensely local. Paradoxically, then, more open global competition makes the home base more, not less, important.[2]

The mantra of urban competitiveness, well established in Europe, North America and Japan, has spread to Latin America, Africa and Asia as well. Two meetings of "The World Competitive Cities Congress," sponsored partially by the World Bank, have been well attended by mayors and senior officials of both northern and southern cities. At the

1998 meeting of the Congress, the mayor of Rio de Janeiro said that "today, we can no longer ignore the evidence that it is up to the cities to determine the greater or less degree of countries' competitiveness," summarizing the evidence as showing that "there exists, and will continue to exist, growing competition among cities, regions and countries, in which there will be winners and losers." Detailing a number of areas in which major initiatives were undertaken during his term of office (in tourism, the hosting of international meetings, infrastructural projects, nuclear energy, and software development), he proudly referred to a 1998 survey in *Fortune* magazine, in which the city was highlighted "as the best city for investment in Brazil, and the fourth best in Latin America."[3] As is typical in such meetings, the mayor refrained from pointing out some of the city's problems, such as its high local crime and murder rates, a high level of poverty and homelessness, deteriorating local services, and widespread unemployment. In any case, Rio had lost its place in the *Fortune* sweepstakes by December 2000. In that issue of the widely-circulating business magazine, five cities were listed as "winners of the world" for the Latin America region, as "the best cities for business"—in order, they were Buenos Aires, San Juan, Mexico City, São Paulo and Santiago.[4]

At international meetings of mayors and urban specialists, the point is constantly brought home that cities need to develop their own "strategic plans," a "vision" or a unique approach to their economic challenges, if they are going to be among the world's winners rather than its losers. In his introduction to a book entitled *Competitive Cities: Succeeding in the Global Economy*, the former mayor of Seattle says, "successful cities of the future, both large and small, and regardless of where they are on the world map, must use all their resources if they hope to compete and prosper in a new world economy."[5] Since the late 1980s, many cities have been undertaking "strategic planning" in order to achieve these objectives. In general, the more the strategic planning exercise is carried out by local people and their elected representatives and municipal officials, rather than by outside consultants, the more useful the exercise should be. Cities in the developing world have been receiving considerable support from the international community in order to improve their ability to plan and, consequently, to position themselves in the larger system.

In the midst of so much enthusiasm and assistance for what seems a "no-brainer" (i.e. improving one's competitive position both regionally and internationally), I am loath to sound a note of discord. But I am concerned that current approaches to support urban development in Asia, Africa and Latin America do not sufficiently take into consideration the fact that most of these cities are poor, and cannot easily compete with cities in the north. Do the rules of competition apply fairly and equally to the North and the South? Indeed, the competitiveness litera-

ture, insofar as it focuses on cities, city-regions, and subnational governments, tends to assume that factors that enhance the potential success of a city are generic, whether we have in mind a city with relatively ample resources, or a city with very limited resources. To the extent that cities need to develop strategies and strategic plans and visions to respond to economic challenges, they need to take into account their basic resources, social structures, and governance institutions. I am not arguing that cities should not plan strategically, since clearly this is a benefit regardless of the level of resources or development of any city. But if we are not realistic about the special needs of poor cities, and the handicaps with which they are encumbered, we may develop a false expectation of what is possible. And if (or when) we fail, we will become even more cynical in the next phase of development.

Cities in developing countries—and especially the large city-regions that can really count in the generation of goods and services at a national level—have a number of significant disadvantages vis-à-vis their northern colleagues. Perhaps the most obvious relates to the rate of urban growth, which in turn relates to poverty. On the average, cities in developing countries are growing, in proportional terms, from four to five times faster than cities in developed countries. The most rapid change is in the sub-regions with the lowest level of urbanization in the first place. These sub-regions (such as sub-Saharan Africa, Central America, and South Asia) tend to be the poorest. Typically, cities in these regions have very few resources to devote to the elements of urban development—the infrastructure, the professional urban management of local services, the support for local health and educational facilities—which will attract overseas investment in the first place. In the 1990s, for example, cities in the industrialized north could count on average revenues of $2,763 per person. By contrast, cities in Latin America and the Caribbean had average revenues of $252, cities in the Asia Pacific region $249, and in Africa only $15 per person.[6] And the faster they grow, the less they have available per unit of population. Thus, very rapid growth, especially in a regional (or sub-regional) context of poverty, can serve as an acute disadvantage in attracting new business and employment.

Another characteristic of many large developing area cities is social fragmentation, and even polarization between rich and poor. Partly because of their very rapid growth, the physical expansion of southern cities tends to be like "hop-scotch," with new residential areas attaching themselves to the urban fabric in a discontinuous fashion, before (or in the absence of) the construction of connecting infrastructure. This physical disconnect is reinforced by heavy clustering of social and ethnic groups in different areas, producing what French scholars call the "archipelago" city. While to some extent social fragmentation and increasing polarization is also a characteristic of some globalized cities

in the north, I would suggest that the degree of incoherence in the social and physical pattern is much greater—as a general rule—in the South.

This incoherence, which is related to rapid growth, poverty, and social and physical fragmentation, is a basic underlying constraint on the efforts of southern cities to compete with cities in the North. If both northern and southern cities are playing by the same rules and on the same field, then southern cities are severely—even fatally—disadvantaged. Not only does their resource deficiency and failure to adequately control the pattern of development weaken them in any negotiations with potential overseas investors, but many also experience a lack of political continuity and ability to mobilize large sections of their local populations in the process of defining their "vision" or direction for the purpose of strategic planning. Comparative research on northern cities shows that two major factors influence their success or failure in attracting outside investment: support from other levels of government, and support from local civil society and major private sector stakeholders. Of course, inspired local political leadership and effective coalitions of local stakeholders may overcome these disadvantages for a time, but even these political conditions are less likely to be in evidence in the South (compared to the North), because of the factors we have just discussed. In general, then, conditions for successful strategic planning exercises in the South are more challenging than they are in the North.

Given these inherent difficulties, what should southern cities (and their leaders) do in the event they still wish to compete? And what can we do?

1. They must mobilize support from other levels of government, and from the wider regions in which they play a leading economic role. National governments, and higher level sub-national governments are particularly important in helping to create a policy environment in which outside investment is welcomed.

2. They need to involve major stakeholders, including representatives of lower-income and informal sector groups, in the citywide discussions of the new strategic directions being considered.

3. They need to lengthen the time periods of the local political leadership. In some countries (particularly Latin America), mayors and councilors cannot be elected for more than one (often three-year) term at a time. This has been changed to two terms in Brazil (where the length of the term is four years), and should be changed elsewhere. While there are valid historical reasons for term limits, very short terms for elected leaders greatly restrict the ability of municipalities to plan, let alone to engage the people in a coherent exercise.

4. We need to have better comparative information about the types of interregional cooperation, and international municipal assistance that has taken place and is available to poor cities. Rather than competing with each other and with northern cities, they will need to find better structures of coordination and cooperation in order to collaborate with cities in the North.

5. We need to investigate the extent to which this competitive behavior—in both the North and the South—can be convincingly shown to have improved the economic and social conditions of cities. If the record of success is mixed (which I believe it is), then we will have to reconsider and perhaps reinstate our earlier approach to massive infrastructural improvement in the cities of the poorest countries.

Notes

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Metro Manila: People's Participation and Social Inclusion in A City of Villages

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Metro Manila, with a population of 10.5 million is a primate city, almost ten times larger than Cebu, the second largest Philippine city.[1] It is the economic engine, social center and political capital of the country. However, despite its highly urbanized nature, Metro Manila is still, largely, a city of villages. Culturally, it is an overgrown metropolis composed of autonomous local units that have traditionally resisted efforts to centrally control their activities.

Governing Metro Manila, then, is more than just managing the delivery of urban services. It is essentially an effort to harmonize and coordinate the relationships among local communities, civil society groups and the government. Governance calls for the participation and social inclusion of ethnic groups, families and clans, religious congregations, non–governmental organizations (NGOs), people's organizations (POs), professional associations, media empires, corporate bodies, political factions and other particularistic groups. Many institutions have tried in Metro Manila to harmonize relationships among these groups. Like pouring old wine into new bottles, establishing new governance structures has not significantly changed the fractious nature of economic, social and political activities.

Metro Manila society is divided into many local units but, as ideal types, one can identify at least four kinds of "villages" in the area. First, there are the *barrios* of the urban poor like Barrio Magsaysay and Barrio Fugoso in the district of Tondo. These are slum and squatter communities on frequently flooded coastal lands, steep river banks, or mountainous garbage dumps. More than three million people live in these communities with little access to water, sanitation, drainage or waste collection and disposal. People in these barrios tend to be highly organized to maintain

peace and order or to lobby the government for basic services. Often, the poor are spontaneously unified by anti-government efforts as when they struggle against the bulldozing of their shanties or forced eviction. Many active POs originated in these barrios. For example, in the 1960s, the Zone One Tondo Organization (ZOTO), helped to shape the World Bank-funded community upgrading and sites and services schemes in Tondo.[2]

Metro Manila also has the "villages" of the rich like Dasmarinas Village, Urdaneta Village, or Forbes Park. About half a million people reside in these gated communities—virtual fortresses with 15-foot walls topped by broken glass or razor wire. Within these enclaves are wealthy Filipinos, foreign business people and resident diplomats. In these golden ghettoes, water, electricity and other services are readily available. Garbage is sorted out in color-coded bags and efficiently collected. Residents lead unmolested lives, secure in the feeling that armed guards protect them from the rest of the city.

The great majority of Metro Manila's population lives in the traditional neighborhoods or *barangays* of the lower and middle classes in districts like Sampaloc, Caloocan, and Pandacan. People in these neighborhoods are bound closely together by observance of religious and cultural events such as the annual fiesta. They participate actively in neighborhood watch associations, mothers' clubs and parent-teacher associations. The neighborhoods are governed by formal barangay associations, the smallest governance unit in the city. Each association is made up of a barangay captain and a council of elected representatives heading committees for livelihood, peace and order, education, health, and other functions.

On the city's periphery are traditional villages in small towns like Antipolo, Taguig, and Pateros. These are communities of farmers, tract gardeners and fisher folk. Even in these villages, however, life is changing rapidly as urban sprawl engulfs everything in its path. Village residents wage a losing battle against change as rice fields are converted to factory sites, fruit orchards give way to shopping malls, rivers and lakes are polluted by industries, and young people rush off to the city to study or find work. Some villages have become bedroom communities of commuters who spend three to four hours a day stewing in congested traffic.

Officially, Metro Manila or the national capital region (NCR) is made up of 17 local government units (LGUs) occupying a territory of 636 sq.

km (See Table 1). Of these LGUs, 12 are cities with their own city char-
ters enacted by statute and five are municipalities under the jurisdiction of
the province of Rizal. In reality, however, the urban field of Metro Manila
rightfully includes 35 adjacent LGUs that add another four million people
residing within a territory of 1,681 sq. km. within the so-called
Calabarzon region (the provinces of Cavite, Laguna, Batangas, and
Quezon) as well as the provinces of Bulacan, Zambales and Pampanga in
Central Luzon.[3] For the development planning purposes of the NCR, in
fact, the National Economic and Development Authority (NEDA)

Table 1
Local Government Units in Metro Manila

Locality	Land Area (Sq Km)	1990 Population (Census)	2000 Population (Preliminary)	Annual Growth Rate (Percent)
City of Manila	38.3	1,601	1,673	0.24
Caloocan City	55.8	763	1,233	4.08
Quezon City	166.2	1,670	2,160	1.78
Pasay City	13.9	368	363	–0.92
Las Pinas City	41.5	297	499	1.54
Makati City	29.9	453	524	1.98
Malabon	23.4	280	356	3.90
Mandaluyong City	26.0	248	304	1.28
Marikina City	38.9	310	437	4.43
Muntinlupa City	46.7	278	393	2.84
Navotas	2.6	187	254	4.04
Paranaque City	38.3	308	489	3.98
Pasig City	13.0	398	582	4.65
Pateros	10.4	51	64	2.47
San Juan	10.4	127	129	0.81
Taguig	33.7	266	510	7.11
Valenzuela City	47.0	340	521	3.85
Grand Total	**636.0**	**7,945**	**10,491**	**2.26**

Sources: Commission on Population (POPCOM) as cited in (Ocampo, 1995: 284) for 1990
data; National Census and Statistics Office for 2000 preliminary totals.

includes the special economic zones in the former American military bases of Subic and Clark, the export processing enclave in Mariveles, and high technology parks in Cavite, Laguna and Batangas.[4]

GOVERNANCE STRUCTURES AND FUNCTIONS

In the context of Metro Manila, governance can be defined as being made up of "the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences."[5] More precisely, these processes and institutions include: how a political unit sets its vision and goals of development, translates this vision into policies, selects its leaders, adopts programs and projects, raises and allocates resources, implements programs and projects, resolves conflicts arising from varying decisions and interpretations, enforces accountability of decision makers, evaluates and monitors the effects and impact of programs and projects and then feeds the findings of monitoring and evaluation to policy makers, program implementers and the general public.[6] Governance, therefore, encompasses issues of who governs, the just and equitable allocation of benefits and costs, and the relationship of civil society with government.[7]

Institutionally, there are at least five levels of governance in Metro Manila. At the highest level is the *central government* which exercises considerable authority and power as Metro Manila is the national capital. All local officials are under the supervision of the President of the Philippines, through the Department of the Interior and Local Governments (DILG). Statutes, including the issuance of city charters, are the prerogatives of the House of Representatives and the Senate. Most developmental activities in the NCR are carried out by central government departments. National roads and bridges, for example, are constructed and maintained by the Department of Public Works and Highways. The financing of major infrastructure projects is under the authority of the Presidential Adviser on Flagship Projects. The Philippine National Police (PNP) is in charge of all police forces. Most important of all, the central government controls the financial purse strings as budgets of all LGUs are reviewed by the Department of the Budget and Management (DBM).

At the *metropolitan level*, governance is exercised by the Metro Manila Development Authority (MMDA). The present MMDA was established

in 1995 and is charged with comprehensive planning, land use control, urban renewal, traffic and transport management, solid waste disposal, flood control and drainage, engineering, and public safety. Policy making in the MMDA is vested in a Council made up of all the 17 LGU mayors. Executive functions of planning and management are under specific departments reporting to a General Manager and the MMDA Chairman. The MMDA is not a corporate unit of government but "a special development and administrative" unit under the direct supervision of the President of the Philippines. It performs, "planning, monitoring, and coordinative functions," but can only do this "without diminution of the autonomy of local government units concerning purely local matters."[8] With an extremely weak financial base (the 1999 budget of MMDA was only P1.6 billion in 1999), the metropolitan authority has very little actual powers.

Five *municipalities* within Metro Manila are under the jurisdiction of the Province of Rizal. The province is headed by a Governor and legislative authority is vested in a Provincial Board. The main significance of the province is that it receives a share of the real property taxes from the municipalities as well as a portion of internal revenue allotments from the central government. Otherwise, under the Local Government Code of 1991, the municipalities exercise a great deal of autonomy. They can, for example, enact ordinances controlling zoning and land use, impose user charges and fines, and operate public markets and other income-generating enterprises. Theoretically, they can even borrow capital for infrastructure projects from financial institutions or float bonds.

A dozen LGUs in Metro Manila have transformed themselves into *cities* and have their own statutory charters. Each city is headed by a Mayor and has a City Council. The main advantage of city status is enlarged powers granted by the LGC of 1991. Cities also receive all the funds that, under a municipal structure, used to be shared with the province. Cities like Makati and Mandaluyong have used their autonomous powers to increase their revenues by attracting private enterprise to locate within their jurisdictions.

The lowest level of governance in Metro Manila is the *barangay,* or neighborhood unit. A barangay may be made up of 100 to 1,000 households residing within a specified territory. Barangay officials receive no salaries although recently, the central government decided to pay the pre-

miums of their personal accident insurance policies. Barangays are mainly seen as mechanisms for people's participation in local affairs. They exercise a few local functions but they are greatly hampered by lack of resources.

The various governance systems used in Metro Manila can be viewed as a tug-of-war between the central government and LGUs. In this competition, the central government holds most of the formal authority and power. However, because of the strong particularistic identities and loyalties of people to their local units, there are strong pressures in Metro Manila for local autonomy and decentralization of powers.

A unique feature of Metro Manila society is the active participation of people in urban affairs. In this, the activities of thousands of NGOs and people's organizations (POs) make for a vociferous polity. Traditionally, Metro Manila voters tend to be oppositionist. The Manila press and mass media are so free that their actions often border on the irresponsible and the licentious. Thousands of NGOs and "cause-oriented groups" actively seek to influence public opinion through street demonstrations, media blitzes and noise barrages. Among Metro Manila residents, local and national elections rank highest among forms of civic action and entertainment and voter turnout is consistently above 90 percent. Proof of the tremendous energy and power of civil society in Metro Manila are the "people power" revolution that toppled the Marcos regime in 1986 and the demands for the impeachment of President Joseph Estrada that began in October 2000.

The fragmented and particularistic nature of society and politics in Metro Manila, however, has also tended to frustrate efforts at administrative reform. Many studies of Metro Manila have pointed to the need for a system of metropolitan governance that can coordinate and harmonize the activities of various local units.[9] This need has not been met. The current MMDA is an extremely weak governance mechanism. It prepares comprehensive development plans that are neither officially adopted nor followed. Municipalities and cities issue zoning codes and regulations that are not coordinated with the plans. MMDA is supposedly in charge of transport and traffic management but the central government controls the financing, construction and maintenance of roads and bridges. It is in charge of garbage disposal but provinces and municipalities will not allow it to set up sanitary landfills or dumps within their territories. It is responsible for urban renewal but housing funds are controlled by the National

Housing Authority and other agencies. It has no control over the water system, which has been privatized, nor over the design and construction of rapid transit systems and toll roads, which have also been privatized. The lack of power of the MMDA is illustrated by the fact that more than two-thirds of its 1998 budget was devoted to "social services," which essentially involved hiring Metro Manila Aides and Traffic Coordinators whose main duties were the sweeping of city streets and helping direct urban traffic, respectively.

EVOLUTION OF METRO MANILA'S INSTITUTIONAL FRAMEWORK

To more fully understand the governance of Metro Manila, it is important to view the evolution of the city's institutional framework in the context of Philippine history. Unlike other Asian countries, the Philippines lacks a "great tradition" of central governance typified by kingdoms and empires. Before the coming of Western colonizers in the 16th century, the archipelago was made up of small communities called *barangays*. The islands were on the distant edges of the great empires of China and India and were only sporadically touched by the winds of commerce and trade.

Before the Spanish conquistadors arrived in 1571, Manila was a Muslim village ruled under a paternalistic system where chieftains looked after the welfare of their subjects, who in return paid tribute and rendered services, such as supporting the ruler during petty wars. As they did in Latin America, Spanish colonizers ruled the Philippines indirectly by co-opting local rulers. As the colonial capital, Manila grew rapidly, engulfing settlements in the surrounding areas. Even in those early times, however, people tended to live in separate enclaves. The Spaniards lived within the city walls of Intramuros, the local Chinese inhabitants in Binondo across the Pasig River, and the *indios* or native Filipinos in Paco, Santa Ana, Pasay and other villages.

Urban governance under Spanish rule centered on the *municipio* or municipal unit. Based largely on the Mexican model, each town was administered by a *gobernadorcillo,* (the equivalent of a town mayor) while each village was headed by a *cabeza de barangay,* or village headman. A town official received practically no salary—the benefits of office were derived, instead, from the authority to collect taxes, impose duties and fines, and engage in private business—sure recipes for corruption. Under

the protective policy of "reconcentration," all loyal citizens were made to reside in the shadow of the belfry and within hearing of the church bells. The great bulk of the population lived in villages and towns, where life was only periodically disturbed by tax collectors or recruiters conscripting workers for forced labor on public works projects.[10]

The Americans assisted the Filipinos in their revolt against Spain in 1898 and promptly colonized the country after a bloody insurrection. Unsure about their colonial role, the Americans decided to mould the Filipinos in their own image.[11] In 1900, one of the earliest orders from Washington, D.C. was the establishment of municipal governments, "in which the natives of the islands should be afforded the opportunity to manage their own affairs to the fullest extent of which they were capable and subject to the least degree of supervision and control which a careful study of their capacities and observations of the workings of native control show to be consistent with the maintenance of law, order and loyalty."[12] In pursuance of these instructions, 32 provinces were created all over the Philippines and municipal elections were held in 1905. In sum, the Americans decided to transplant the glories of the New England Town Meeting to tropic soil.

Inspired by liberal democratic traditions, the Americans attempted to educate the Filipinos in good governance. Under American tutelage, Filipinos showed intense interest in participating in civic and community life. Where under Spanish influence, people mainly involved themselves in religious and charitable works, American-influenced Filipinos joined civic clubs and NGOs. Universal suffrage was introduced in 1905 where previously, voting was confined to property owners. Model city charters were introduced and adopted wholesale as the bases for urban governance. The City of Manila was governed by a law patterned after that of Washington, D.C., with a Mayor appointed by the President and a Municipal Board of elected councilors.[13] Despite the ravages of World War II, the United States kept its promise and granted political independence to the Philippines in 1946. Economically and culturally, however, the Philippines remained an American dependency and the colonial institutions for governance continued to be used in the new republic.[14]

Manuel L. Quezon, the President of the Philippine Commonwealth had bravely declared in 1935 that he preferred "a government run like hell by Filipinos to one run like heaven by the Americans." He was clair-

voyantly prophetic. Under Filipino leaders, the country's development has been marred by inefficiency and widespread graft and corruption. In particular, the three decades of dictatorial rule by the late President Ferdinand Marcos and his wife Imelda left a lasting influence on urban governance in the Philippines.

The 1935 Philippine Constitution provided for a presidential form of government closely patterned after that of the United States. It favored a strong presidency but, at the same time, greatly encouraged local autonomy. The Marcos years, however, largely undermined the basis for the rule of law despite the fastidious efforts of the President to cloak his actions under the semblance of legality. For example, the Metro Manila Commission was created by Presidential Decree No. 824.[15] When the Marcos dictatorship toppled in 1986, one of the main casualties was metropolitan governance because of the MMC's close association with Imelda Marcos, who had been appointed Governor.

The presidency of Corazon Aquino shifted political power to LGUs. Metropolitan governance became such a touchy political issue that it merited a constitutional revision that made it difficult to establish metropolitan structures. The 1987 Aquino Constitution, Section 11, Article 10 provided that:

> The Congress may, by law, create special metropolitan political subdivisions, subject to a plebiscite. … The component cities and municipalities shall retain their basic autonomy and shall be entitled to their own local executives and legislative assemblies. The jurisdiction of the metropolitan authority that will be created shall be limited to basic services requiring coordination.

The backlash against metropolitan forms of government took the form of the passage of Executive Order No. 392 (9 January, 1990), which abolished the MMC and replaced it with the Metro Manila Authority (MMA). Instead of being led by a strong Governor, the MMA was headed by a rotating Chairman, chosen every six months from among the 17 city and municipal mayors that formed the policy making arm of the Authority.[16]

The passage of the Local Government Code (LGC) of 1991 consolidated the powers of LGUs. The law effected *devolution* of responsibility for edu-

cation, health, public works, and other services to local units. It reduced the share of the MMA in LGU taxes and devolved taxing powers to LGUs. The MMA was essentially crippled financially by making it dependent on central government grants, user charges, service fees and fines.[17] When President Fidel Ramos took over from President Aquino in 1994, it was recognized that a greater coordination and harmonization of area-wide services was needed in Metro Manila. Republic Act 7924 was passed on 1 March, 1995 creating the Metro Manila Development Authority (MMDA). The MMDA, however, has remained a weak governance structure.

THE POLITICAL CULTURE OF METRO MANILA GOVERNANCE

It is clear that the institutional structures related to governance in Metro Manila have been the by-products of historical events. While this fact is readily apparent, it is important to keep in mind that Metro Manila's institutional framework is fundamentally based on the indigenous nature of Filipino "political culture"—that "social heritage" made up of "modes of thinking, feeling, and acting. … the patterns of behavior used in a given society … and the special ways of behaving characteristic of the smaller group within a large and complex society."[18] More generally, political culture is "that elusive notion that encompasses the attitudes, dispositions, orientations, expressive symbols, and values defining the situation in which political actions take place."[19]

Sociologists have noted a number of cultural characteristics that fundamentally influence Filipino behavior in relation to politics and governance. Among these characteristics are the following:

- **Particularism** or the tendency to confine one's attention to the interests of the group rather than the general welfare. This is seen in the Tagalog concept of *tayu-tayo,* or "us against them." In some instances this tendency shows itself in narrowing interest to the concerns of family or clan, akin to what has been called "amoral familism."[20]

- **Reciprocity** or the expectation that favors granted are to be unquestioningly paid back in the future. This is seen in the concept of *utang na loob,* or "debt of gratitude," which dictates that a debt of honor should always be repaid. It is also seen in the idea of *pakikisama* or getting along

well with others and in the ideal concept of SIR (smooth interpersonal relations) as the basis for acceptable behavior.[21] In its deeper sense, reciprocity is related to the concept of "face" which in Tagalog is often considered as *hiya,* or "shame." To not return favors is to be without shame, and therefore results in a serious loss of face.

- **Fatalism** or the belief that the result or outcome of decisions does not depend on one's efforts but on the influence of external forces. This concept is captured in the Tagalog term *bahala na* (let the gods or *Bathala* decide). What happens depends on luck—*malas* (bad luck) or *suerte* (good luck). Politically, therefore, most Filipinos can be said to have low levels of political efficacy as they believe political outcomes are generally decided by *liders,* or top officials, and not by the people.

The psycho-social aspects of political culture noted above need to be kept in mind when considering the institutional framework for governance in Metro Manila. They constitute the old wine that may be poured into new bottles of political and administrative structures in efforts to improve governance in the metropolis. The cultural elements support the notion that Metro Manila is still, essentially, a city of villages. Politically and administratively, the citizens of Metro Manila find it easier to identify with their local interests. This, in turn, serves to frustrate universalistic efforts to achieve rationality in governance. For example, despite the recognition that a problem (like floods) requires cooperative action, the "we-against-them" attitude of local leaders and citizens works against contributing to an area-wide drainage system. While it is known that cholera and hepatitis do not respect political boundaries, local units continue to dump their untreated waste into Manila Bay because it costs the local units less to do this.

Organically, local units in Metro Manila tend to divide, amoeba-like, into smaller jurisdictions. There has never been a case of two or more local units merging into a larger one to meet commonly shared challenges. Politically, families and clans seek their own turf and create smaller subdivisions. When a leader or faction loses an election, the tendency is to set up a separate political unit where one can be the largest frog albeit in a smaller pond. The 1987 Philippine Constitution proposed a system by which a metropolitan government may be formed by an agreement

among local units to merge into a larger unit. This is clearly impossible in the light of the particularistic tendencies of political leaders and citizens.

Indigenous cultural practices also work against rational administrative behavior. A Metro Manila citizen needing a municipal service, for example, will rarely go to an office at random. He or she will seek a political *patron*, a relative or a friend, who can "facilitate" the transaction by "going through the backdoor." Local community leaders and politicians serve as power brokers and go-betweens, using reciprocity and debts of gratitude as the basis for influence and power. Often, in these public transactions, the difference between a gift and a bribe becomes fuzzy. It also becomes quite difficult to make a distinction between a purely administrative decision and a partisan act of political accommodation.

The lack of a sense of political efficacy among Metro Manila voters has encouraged the formation of "political machines" maintained by traditional politicians. A machine is made up of local *liders* whose main function is to respond to the individual needs of their followers. The *liders* accompany people who need government services. They help them find jobs. They give money from the political official when there is illness or a death in the family. They help resolve personal conflicts in the name of the Big Boss. In return for all these services, the *liders* make sure that the clients of the machine know that they owe all these to the political official. Obviously, maintaining a political machine costs a great deal of money. The politicians resolve this by engaging in corrupt practices such as receiving kickbacks from gambling den and brothel operators, protecting drug lords, using their bodyguards to extort money from businesses, or demanding a percentage of the profits of contractors. Some politicians glory in the image of being modern-day Robin Hoods, claiming to rob the rich to share their loot with the poor. They remain in power because they meet the particularistic demands of their constituents.

Current village-like tendencies in Metro Manila pose the fundamental issue of how a rapidly expanding metropolis will be able to meet its economic, social and cultural needs efficiently without cooperative, area-wide action. People who advocate comprehensive planning and metropolitan governance argue that political, economic, and cultural fragmentation is making it extremely difficult for Metro Manila to achieve efficient urban services. They call for administrative reforms that would create a stronger system of metropolitan governance. They point to the benefits of

economies of scale if programs and projects are pursued at the metropolitan level. They extol the merits of an expanded credit base if and when LGUs pool their financial resources to support area-wide infrastructure projects. They argue that a stronger metropolitan government may be able to attract better political leaders, professional managers and efficient technicians. They cite the advantages of an expanded market for goods and services at the metropolitan and regional scale. Most of these advantages have been shown by the positive experience with metropolitan governance in other parts of the world. At present, however, all these arguments are falling on deaf ears in Metro Manila.

Socio-Economic Challenges Facing Metro Manila

Consideration of issues of urban governance at this time is crucial to Metro Manila because the current situation in the metropolis poses tremendous challenges. For one, the mega-urban region continues to grow. While inner city districts like the Escolta and Binondo have deteriorated rapidly and are losing population, suburban areas like Pasig City and Taguig are growing at an annual rate of 4.65 and 7.11 percent, respectively. Metro Manila accounts for 28 percent of the total urban population of the Philippines and contributes 15 percent of the urban poor in the country.[22]

The main challenges facing Metro Manila are affordable housing and basic urban services. Innovative approaches such as community upgrading and sites and services have been carried out since the 1960s, but they have failed to adequately respond to the needs of the bottom 20 percent of poor urban families.[23] The Zonal Improvement Program (ZIP) and the Slum Improvement and Renewal (SIR) programs have made water, toilets, pathways and other basic needs accessible to the poor, but housing demand still outstrips supply. The Community Mortgage Program (CMP) has enabled some low-income families to buy the land their shanties were built on, but it has been plagued by lack of land and government financing. Meanwhile, the private housing sector has focused its attention on economic housing—building thousands of projects on the urban periphery and, sometimes, siphoning off funds earmarked for the really poor and investing it in homes for the middle classes.

Metro Manila's more than 10 million residents generate more than 6,000 tons of solid waste per day and about 10 percent of that ends up in

rivers and canals. Almost all the dumps and landfills in the metropolitan area are full. In 1999, the mountain of garbage in Payatas collapsed and buried more than 200 scavengers, closing the dump. The passage of the Clean Air Act in 1998 outlawed the use of incinerators so Metro Manila currently relies on open dumps and sanitary landfills. However, a strong not-in-my-backyard (NIMBY) attitude of LGUs has created huge problems in finding new dump sites.

About 42 percent of all vehicles in the Philippines are registered in Metro Manila. As a result, Metro Manila is perpetually caught in traffic gridlock—the average vehicle speed on Epifanio de los Santos Avenue (EDSA) rarely exceeds 12 km per hour. Traffic demand continues to increase despite the recent inauguration of the second phase of a rapid transit system. About a third of more than 18 million trips per day rely on low capacity private vehicles while 45 percent are by unscheduled jeepneys and buses. Air quality in Metro Manila is so bad that fears have been expressed about adverse health effects on children due to mercury and other pollutants.

Metro Manila suffers from acute water shortage during the summer months and floods during the monsoon season. Manila's waterworks system was first installed in 1878 and has not kept up with the city's population growth. In May 2000, it was estimated that only about 63.5 percent of water supplied by the whole system was accounted for. About 50,000 households have no access to sanitary facilities. The total sewer system serves only 20 percent of residents (the rest rely on septic tanks or simply dispose of waste in canals and rivers).

At the same time, during the rainy season, Metro Manila is frequently flooded as 44 sq. km., or 7 percent of the metropolitan area, are defined as flood prone. Since Metro Manila is hit by almost a dozen typhoons each year, considerable damage is caused by flooding. The situation is made doubly hazardous by the fact that the city's sewer and storm drainage systems are combined, posing serious health threats of cholera, hepatitis and other water-borne diseases during floods. The Pasig River, Marikina River and other tributaries in Metro Manila are biologically dead. Fish and shellfish from Manila Bay are not safe to eat because of contamination, and periodic outbreaks of red tide disease occur during the summer months.

In the period 1987-1992, Metro Manila suffered from severe lack of electrical energy. Daily "brownouts" were experienced in the city, causing

huge losses in production and commerce. President Ramos was granted emergency powers to solve the energy crisis and this was achieved partly by the importation of second hand generating equipment and by the massive importation of oil. The privatization of electric distribution has introduced some efficiency to the system, but the National Power Corporation, which supplies energy, is saddled with a P800 billion debt and nobody wants to buy it.

In spite of the above-mentioned challenges faced by Metro Manila, there is room for optimism for the future because metropolitan-wide actions have started to be used in dealing with common problems. The near completion of the metropolitan rapid transit system promises to lighten traffic congestion. The construction of toll roads and skyways under Build-Operate-Transfer (BOT) schemes linking Manila to other urban nodes is also serving to ease traffic. A computerized traffic management and monitoring system now makes it possible to plan and coordinate traffic at a regional level. Experimental approaches such as limiting the number of vehicles operating in the city by allowing cars with odd and even numbered license plates only on certain days are also helping. The fielding of Traffic Aides by the MMDA and the strict enforcement of traffic rules and regulations (including those against jaywalking) have helped, although poor driver education and petty corruption in the issuance of drivers' licenses and fixing of traffic violation tickets continue to be serious problems.

Residents of Metro Manila can also look forward to better water services. The completion of the Umiray Dam will provide an adequate water supply for the next 21 years. The privatization of the Metropolitan Waterworks and Sewerage Authority (MWSA) promises more efficient services. Under the privatization agreement, which is in effect until 2021, the West Zone of Metro Manila, covering 540.4 sq. km. is managed by Maynilad Water Services, Inc. (MWSI) and the East Zone is managed by the Manila Water Company of the Ayala family. MWSI is a partnership between Benpress Holdings Corporation of the Lopez family and Suez Lyonnaise des Eaux, an international leader in water management. The total integrated water, sewerage and sanitation system involves investments of US$7.5 billion, of which $4.5 billion is allotted to the West Zone. In the West Zone alone, the investments would pay for the connection of 1,000 km of new water pipes, 200,000 new water connections, and replacement of 200,000 water meters.[24]

Privatization of the telephone and other communication systems in Metro Manila has also achieved considerable success. The breaking up of the Philippine Long Distance Telephone Company monopoly has generated productive competition that has made telephones more accessible to the general public. The explosive use of cell phones and texting machines is currently creating a severe shortage in available channels. However, the private sector has energetically attempted to meet the demand for better communication and the residents of Metro Manila will most likely continue to enjoy good services in the future.

Strategic planning and area-wide actions are also likely to enable Metro Manila to control and regulate urban sprawl. Philippine officials now see the merits of a comprehensive development plan for the Manila-centered, mega-urban region that encourages growth in a number of development nodes far enough from the city to be autonomous, but linked efficiently enough with the city by transport and communication modes to become integral parts of the whole development scheme.[25] In this, Metro Manila has been lucky in gaining access to the excellent infrastructure and facilities of the former American military bases of Subic and Clark Air Force Base. These former bases have been converted into special economic zones devoted to export-oriented enterprises. Subic, for example, now employs more than twice the number of people formerly hired by the Americans in high tech enterprises, recreation and tourism ventures and services. Similar success has been achieved at Clark in attracting the electronic industry and tourism. These SEZs have now been linked by efficient transport to Metro Manila and other economic centers. There are also soon-to-be-started schemes to extend rapid transit systems from Metro Manila to these areas, as well as a proposal to transfer the country's main international airport to Clark.[26]

All in all, planning and governance measures on a metropolitan and regional scale are slowly starting to improve conditions in Metro Manila. The privatization of area-wide services has improved efficiency in service delivery. Considerable time has been lost, however, by negative reactions to the excesses of the Marcos years and the strong emphasis on decentralization to small and weak local government units. If Metro Manila is to effectively meet its development challenges, broader area-wide governmental mechanisms are needed. Ideologically motivated advocates of local autonomy and decentralization, therefore, will have to recognize this fact.

RESOURCE MOBILIZATION AND PUBLIC FINANCE

On the average, each year Metro Manila contributes about 30 percent to the total gross domestic product (GDP) of the Philippines. The metro area governments generate the bulk of taxes and other resources that accrue to the Philippine Government but, in return, the 17 local government units and the MMDA get back only a small portion of those resources. Under the LGC of 1991, LGUs were authorized to impose taxes such as the real property tax, tax on business operations, occupation tax, tax on real property transfers, tax on signs, signboards, billboards and other advertisements, franchise tax, amusement tax, cultural development tax and residence tax. LGUs are also empowered to collect service fees, user charges and fines. They could operate economic enterprises such as slaughterhouses and markets. They were also empowered to float bonds for important public works projects and to borrow from commercial credit institutions.

With most of the LGUs in Metro Manila changing their status to that of a city, the financial resources available to the MMDA have been sharply reduced. For example, the MMDA now receives only 35 percent of real property taxes and 50 percent of the proceeds from the idle land tax. Where before the metropolitan authority received 15 percent of the statutory share of the LGU's regular income, the LGC of 1991 took those resources away. In recent months, some LGUs have even refused to remit the share of resources that are due the MMDA.

As seen in Table 2, the annual receipts and expenditures of the MMDA have declined since 1997 (the last year of the Ramos administration) and 1999 (the second year of the Estrada administration). Income fell from P1,761.84 billion to P1,611.03 billion. The most significant reductions have been in the share of the MMDA from real property taxes, which went down to zero. Also reduced were the share of MMDA in other local taxes and in the volume of grants from the central government.

With the loss of revenue from the 17 LGUs in Metro Manila, the MMDA has become more dependent on the central government. Thus, the internal revenue allotments and grants from the central government in 1999 made up 66.9 percent of the total financial resources of the Authority. The income from local taxes and operating and miscellaneous revenues now constituted only 23.2 percent and 9.9 percent of total resources, respectively.

With the increased powers granted to LGUs by the LGC of 1991, they have become more active participants in the fiscal management process. This is particularly true in the case of the budget process. Budget preparation usually starts with the issuance of the Budget Call/Circular. All LGUs are required to prepare their budget estimates. They must also indicate their budgetary priorities and clearly specify both sources of income and individual items of expenditures.

Table 2
Summary of Receipts and Expenditures (in Million Pesos)
Of the Metro Manila Development Authority

Item	1997	1998	1999
Beginning cash balance	74.20	140.33	—
Tax Revenues			
Internal revenue allotments	313.16	325.69	438.65
Real property taxes	—	—	—
Local taxes	471.62	476.99	373.00
Non-tax Revenues			
Operating & miscellaneous revenue	111.73	122.50	159.84
Grants	931.46	636.61	639.54
Total Receipts	1,827.97	1,561.79	1,611.03
Total Financial Resources	**1,902.17**	**1,702.12**	**1,611.03**
Expenditures			
General Services	511.05	422.78	721.77
Economic Services	50.02	112.83	96.32
Social Services	1,199.28	1,151.51	792.24
Others	1.49	.15	—
Total Expenditures	**1,761.84**	**1,702.12**	**1,611.03**
Ending Cash Balance	140.33	—	—

Source: Financial Services Division, Metro Manila Development Authority.

The city or municipal budget is consolidated by the Mayor from the individual submissions of offices, departments and other administrative units. All LGUs have Budget Officers who help the executives in budget

formulation. Prior to the passage of the LGC of 1991, LGU budgets used to be submitted to the MMC or MMA for consolidation. At present, this is no longer done and budgets are reviewed by the Municipal Council, in the case of towns, and the City Council, in the case of cities.

The budget review function that used to be carried out by the MMC or MMA is now performed by the Department of Budget and Management (DBM). The MMDA budget is also reviewed by DBM. The vertical linkages that used to exist between LGUs and the MMDA have been severed. While this has increased the authority and power of LGUs, it has also made budget coordination and harmonization among local unit budgets in Metro Manila more difficult.

The formal allocation of greater financial authority to LGUs in Metro Manila, however, can sometimes be merely illusory. In reality, the political process still means that central government officials control most public funds. The main mechanism for this central dominance in the fiscal process is the formulation and execution of the national budget by the House of Representatives and the Senate. By law, the national budget is formulated by the Office of the President and then submitted to the legislature for approval. The legislature is not authorized to increase the executive budget, but it can reduce it. The whole budget process, therefore, revolves around bargaining between the legislative and the executive branch.

The national budget is divided into a section for covering operating expenditures and another devoted to capital outlays. In the former, the primary interests of legislators are the number of positions and items of expenditures where they could nominate their political proteges. To prevent legislators from closely scrutinizing each agency budget for these items, the Philippine Government has introduced performance budgeting rather than line-item budgeting. In performance budgeting, agencies and offices are required to indicate quantitative targets and to indicate their estimate of the resources required to achieve those targets. It is not necessary to append the list of positions (known in the Philippines as the *plantilla* of personnel) nor to present detailed items of expenditures.

It is in the formulation and execution of the capital outlays budget that members of the legislature are able to exert considerable influence. The capital budget is also the area where local lobby groups, NGOs, communities and other particularistic interests play a major participatory role. In

compiling their list of projects, members of Congress and local officials rely on the inputs of such groups. Thus, PTAs lobby for more schools and playgrounds, neighborhood associations pressure their representatives to pave local roads, and squatter and slum communities ask for extending water supply to their areas. Most of these requests are incorporated in the list of projects charged to the "pork barrel" allocations of Congress representatives and Senators.

To keep his or her factions in the legislature happy, a president is expected to allocate "pork barrel" funds to members of the legislature. The legislators submit to the budget formulators a list of their pet projects (roads, bridges, school buildings, markets, etc.). These are then incorporated into the capital budget of the President. Since there are invariably more projects than funds in the budget, the real challenge is getting the funds released for each pet project. For political propaganda purposes, legislators promise more projects to their constituents, and include more projects on their pork barrel lists, than they expect to be funded. This practice gives the president considerable political power over the legislature as only he or she can instruct the Department of Budget Management to release the funds for specific projects.

The overly politicized budget formulation and execution process in Metro Manila has resulted in a lot of waste due to inefficiency, redundancy and corruption. For example, since legislators are most interested in the number of projects attributed to their lobbying efforts, they tend to pick many small projects (bus waiting sheds, basketball courts, ceremonial welcome arches) that could satisfy as many groups as possible. There is also a tendency to start projects, inaugurate these with grand ribbon cutting ceremonies (especially before elections) and then leave these unfinished. Considerable corruption is involved in pork barrel projects—the Commission on Audit of the central government has estimated that about a quarter of pork barrel funds end up in the pockets of crooked politicians. Most serious of all, the pork barrel system makes a mockery of the alleged decentralization of authority and powers from the central government to local authorities because, in reality, local officials have to beg their legislative representatives and the president for the release of public funds.

The MMDA has attempted to use a monitoring and evaluating system to make sure that some kind of rationality can be used in the management of capital outlays. Through the use of the Capital Investment Folio (CIF),

all infrastructure projects are listed with detailed information on objectives, targets, fund allocations, spatial location and degree of completion. An office in the MMDA tracks the implementation of each project, attempting to ensure that the meager funds available are devoted to the completion of outstanding projects. This administrative effort at monitoring and evaluating has been subjected to intense lobbying by politicians and interest groups, however, with intense pressures exerted for inclusion of pet projects to the CIF lists or revision of priority scales awarded to specific projects. In the inevitable political bargaining that occurs, local governments and community groups invariably depend on national legislators and the president for the final decisions.

LOCAL AUTONOMY AND DECENTRALIZATION

The colonial history of the Philippines has bequeathed a tradition of strong central government, but the indigenous culture strongly favors local autonomy and decentralization. Although the Philippine presidential system is patterned after that of the United States, the Philippine president holds relatively greater powers than his or her American counterpart. The legislature, composed of the Senate and the House of Representatives, also represents powerful oligarchies and family dynasties that have ruled the country in pursuit of their own interests.[27]

Culturally, however, the tendency of Filipinos to base one's identity and sense of self on the family, clan, native village, mother tongue, or province and region of origin is a strong force that favors local autonomy and decentralization. This tendency, in turn, has been strongly supported by adherence to liberal democratic doctrines that have stressed the importance of direct participation in governance. Thus, the particularistic nature of Philippine society has found ideological justification in local autonomy and decentralization. This happy co-incidence of cultural content and institutional structures is reflected in the many formal efforts in the Philippines to pass legislation favoring local autonomy and decentralization.

During the 1950s, the Philippine Government passed the Barrio Council Law which recognized the native barrio (now called the *barangay*) as the basic unit of government. The statute was based on the romanticized notion that "grassroots democracy" could be achieved by direct

people's participation in the affairs of the community. The Council was headed by a Barrio Captain and composed of Barrio Councilmen in charge of specific functions such as agricultural productivity, education, health, peace and order, and social welfare.[28]

Although grand in its vision, the Barrio Council Law actually gave meager powers to the councils. For example, the statute provided very weak revenue-raising powers to the council—specifying fees and fines it could impose (e.g., fees for the keeping of game cocks or licenses for female dogs). The council was not granted inherent taxing powers. The central government legislators who passed the law, therefore, managed to have their cake and eat it too—they retained their central government power and influence, and, at the same time, they appeared like champions of direct democracy. Not surprisingly, the Barrio Council Law failed to achieve its goals because authority and power were decentralized to the weakest unit of governance.

The Local Government Code of 1991 was one of the most far-reaching pieces of legislation in Philippine history. Under the code, responsibility and authority over key governmental tasks were devolved to LGUs. Central government officials who used to carry out these functions were transferred to local government agencies. At the same time, LGUs were granted broad powers to raise taxes, enter into indebtedness, engage in productive enterprises and collect user charges, service fees and fines.

Implementation of the LGC of 1991 took about five years of adjustments. Initially, there were protests from national civil servants about the inability of LGUs to pay their salaries and benefits. There were also problems about the refusal of local elected officials to employ officials who were not their political partisans. Despite these many problems, however, the transition to decentralization was made and both central and local government authorities now seem at ease with the system.

In Metro Manila, decentralization has had the negative effect of emasculating the powers of the MMDA. Despite the recognition by many officials that harmonization and coordination of urban functions are badly needed, the stronger powers granted by the LGC of 1991 to the 17 constituent LGUs in the metropolitan area have tended to reduce the MMDA's authority and power. To begin with, the financial resources available to the MMDA have been sharply reduced. This has meant that the MMDA has become more dependent on the central government,

especially the Office of the President, to carry out its tasks—thereby negating the intentions of decentralization that are supposed to be the main goals of the policy.

Past efforts at decentralization and the granting of local autonomy, such as in the Barrio Council Law, have failed because authority and power were devolved to small and weak local units. These past mistakes are being perpetuated in the current Metro Manila situation. Ideally, decentralized authority should be devolved to the local unit best situated to carry out the main functions required by development. In the Metro Manila area, this is obviously the metropolitan level because metropolitan functions can be best carried out by an area-wide authority. Unfortunately, a consti-tutional provision that does not favor metropolitan forms of governance as well as the provisions of the LGC of 1991 that devolve more powers to lower level LGUs work against the effective performance of area-wide functions in Metro Manila. This is a situation that requires legislative and administrative reforms, as well as strong political will, if the situation in Metro Manila is to be improved.

PARTICIPATORY APPROACHES TO GOVERNANCE

The particularistic nature of Philippine society, combined with an ideo-logical commitment to liberal democracy and a strong belief in the importance of civil society have translated into strong tendencies towards people's participation in governance. Interestingly, the abuses of the Marcos dictatorship seem to have fueled the formation of NGOs, POs, and other civil society groups. The power of such groups reached its zenith in the 1986 "people power" revolution that toppled the Marcos dictatorship. At present, there are no less than 58,000 sectoral organiza-tions, NGOs and civil society groups all over the Philippines officially reg-istered with the Securities and Exchange Commission, and many others remain unregistered. These civil society groups are involved in practically all aspects of governance. Many are nationally coordinated through a con-federation of NGOs called the Caucus of Development NGO Networks or CODE-NGO.[29]

The 1987 Philippine Constitution officially recognizes the importance of civil society groups in the following provisions:

- The State shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation (Article II, Section 23).

- The State shall respect the role of independent people's organizations to enable the people to pursue and protect, within the democratic framework, their legitimate and collective interests and aspirations through peaceful and lawful means (Article XIII, Section 15).

- The right of the people and their organizations to effective and reasonable participation at all levels of social, political and economic decision-making shall not be abridged (Article XIII, Section 16).

Pursuant to the Constitution, sectoral organizations were mobilized in the 1998 presidential and local elections to elect representatives to the Philippine House of Representatives. Similar campaigns were also waged to elect sectoral representatives to local government councils. Although this initial election process was faced with many difficulties (it was difficult to make a distinction between genuine NGOs and government-initiated NGOs, or surrogates of political parties), a number of genuine NGO representatives actually got elected to the legislature and local councils.

The Local Government Code of 1991 also provided for the participation of NGOs, community-based organizations and sectoral groups in the formal structures of legislative bodies (city and municipal councils). It urged the inclusion of civil society groups in joint ventures and partnerships in carrying out development projects. The government was also authorized to provide funds to NGOs and other groups to enhance their capabilities to contribute to economic and social development.

At present, active participation of NGOs and other civil society groups in governance take the following forms:

- Collaboration in policy setting and plan formulation. Elected sectoral representatives in the National Legislature and in local government councils officially participate in policy setting and plan formulation. For example, the passage of the "Integrated Ecological Solid Waste Management Act of 2000" was partly attributed to the lobbying efforts of organizations such as the Eco-waste Management Coalition, the

Recycling Movement of the Philippines, the Mother Earth organization, Greenpeace, and Zero-waste Management NGOs.

- Collaboration in program and project implementation. National and local government agencies are required to involve civil society groups in program and project implementation as well as in monitoring and evaluation. These activities may take the form of social preparation, where the NGOs organize and train the people in processes for preparation of projects, by the sub-contracting of project implementation to NGOs as in the Community Mortgage Program, in joint financing of projects, and in the carrying out of project monitoring and evaluation of project effects and impact. NGO representatives have also been appointed to governmental councils such as the Philippine Council for Sustainable Development which is chaired by the Head of the National Economic and Development Authority (NEDA), but is dominated by NGO representatives that even have their own NGO Secretariat.

- Participation in public information and dissemination activities. Many government agencies find NGOs and other civil society groups very effective in gathering and disseminating information. For example, efforts to inform the public about key issues during elections have been carried out by NGOs. Civil society groups have also actively participated in mass media campaigns, public dialogue, and even street demonstrations to have their voices heard. Although some NGOs have been criticized by some government agencies for being confrontational and antagonistic, the people have generally relied on them for other sources of information. The so-called "alternative press" has been a most active source of information for the general public.

The thousands of civil society groups in Metro Manila and other parts of the Philippines have achieved a number of successes through their active participation in governance as policy advocates, lobbyists, and joint venture partners with state institutions in carrying out programs and projects. A case study of the passage of the Urban Development and Housing Act of 1992 (UDHA) shows the power of NGOs and POs in influencing legislation.[30] The driving force behind the advocacy campaign for UDHA was the Urban Land Reform Task Force made up of various groups

including the National Congress of Urban Poor Organizations (NACUPO), the Foundation for Development Alternatives, the Bishops-Businessmen's Conference (BBC), and the *Pambansang Kilusan ng mga Samahang Maralita para sa Panlunsod na Reporma sa Lupa* (PAKSA-LUPA), or National Urban Poor Movement for Urban Land Reform. This coalition of urban poor groups, professional NGOs, business and church organizations waged a vigorous campaign for the passage of UDHA and resulted in the signing of the bill into law on 24 March, 1992.

Analysis of the participatory activities of civil society groups in the passage of UDHA cited the following strategies that were responsible for their success. First, the groups engaged in *coalition building* that harmonized the efforts of the various groups and focused these on the passage of the law. This was not easy because the groups were made up of very different orientations, ranging from the radical Socialist Party of the Philippines to the conservative church-business coalition of the BBC. Second, the civil society groups engaged in *horizontal and vertical linkages*, combining the efforts of mass-based urban poor groups with elite forces in the religious and civic communities. Third, the civil society groups tapped the support of *power brokers* such as key legislative leaders, the Cardinal, groups of lawyers and the religious orders. Fourth, the NGOs and POs waged an active *media campaign*, aided by journalists and editors sympathetic to their cause, that kept the issue on the front pages until the law was passed. Finally, the civil society groups did not neglect their share of *technical work* involved in formulating the legislative bill, conducting research and mobilizing sound data as the basis for strong arguments, marshalling the arguments for housing and urban land reform, learning the intricacies of parliamentary techniques, and seeing the bill through the House of Representatives and the Senate.

Despite the widely acclaimed role of NGOs in Metro Manila in areas of governance, an evaluation of the current situation reveals a number of matters of contention. One basic difference is the developmental philosophy of the government and the civil society groups. Some civil society leaders feel that the government is not sincere in inviting NGOs to participate more actively in governance—that a primary goal of government is to co-opt NGOs to support their preconceived policies and programs. On the other hand, some government officials accuse NGOs of pursuing their own ideological agenda, of expecting government to support causes that, often, are

anti-governmental. This uneasy tension between government and civil society might easily be a carryover from the past as many NGOs were actually established as anti-government groups during the Marcos years.

Civil society leaders themselves tend to categorize NGOs and people's organizations (POs) in the Philippines on the basis of their autonomy or dependence on governmental resources. A rather tongue-in-cheek classification of NGOs and POs made by a prominent activist[31] included the following:

- *GUAPOs* or Genuine Autonomous People's Organizations are truly autonomous and shun the support of government, business groups or people with vested interests.

- *DJANGOs* or Development, Justice and Advocacy NGOs are also autonomous organizations that provide support services to the poor. Many of them receive support from international organizations but they insist on their functional independence.

- *TANGOs* or Traditional NGOs are more likely to be charitable, welfare and relief organizations usually formed by the upper and middle classes to help the poor.

- *GRINGOs* or Government Run or Initiated NGOs are usually set up by state organizations to pursue activities in support of government functions. They are similar to GRIPOs or Government Run and Initiated POs, that are set up mainly to receive funds and other resources from the government (The term "gripo" in Tagalog literally means "faucet").

- *BONGOs* or Business-Organized NGOs are set up by the private business sector to achieve specific benefits such as land acquisition, tax dodges or mechanisms for quelling labor unrest.

It is obvious from the nomenclature of organizations mentioned above that the main criterion for classifying NGOs and POs is the "purity" of their goals and intentions, the nature of their source of funding and material support and their freedom from selfish interests. Civil society leaders in Metro

Manila look with disdain on suspect NGOs and POs that act mainly as agents of the government, the private business sector or other interest groups. The suspicion and cynicism that is apparent in the classifications noted above tend to create tensions among the NGOs themselves. Although the Caucus of NGOs (CODE-NGO) has tried to achieve harmonization and coordination of NGO efforts, it is a fact of life that there is considerable tension among the various NGOs and POs that exist in Metro Manila today.

Despite the competition and suspicion among civil society groups in Metro Manila, there is widespread agreement among NGOs and POs that a united front should be set up to prevent and avoid manipulation by the government. The civil society groups are often united against the government efforts to regulate their activities. For example, some NGOs do not want to submit to formal accreditation and registration with the Securities and Exchange Commission. They object to fiscal requirements that they should officially account for the funds they receive; they feel that these control mechanisms are designed to emasculate the power of NGOs. Government agencies, in turn, argue that it is irresponsible for NGOs to receive funds and not account for these. Even in the case of funds that come from international NGOs, public officials insist that transparency and accountability should be the rule.

Observers of the Philippine situation favorably comment on the increasing professionalization in the management of civil society groups. Widely recognized NGOs such as the Philippine Rural Reconstruction Movement (PRRM), Philippine Business for Social Progress (PBSP) or CODE-NGO are led by highly trained and competent managers who have had long careers in civil society work. In the case of many small and struggling NGOs and POs, however, their leaders are usually engaged in a never-ending search for funds. Most NGOs are usually too small to provide a full-time career to professional managers. In fact, among civil society leaders, there is sometimes a fear that becoming too big and bureaucratized may diminish the effectiveness of civil society groups.

FUTURE PROSPECTS AND BASIC GOVERNANCE ISSUES

From an urban governance viewpoint, the main challenges facing Metro Manila at present go beyond urban management and the efficient delivery of public services. What makes future prospects for Metro Manila chal-

lenging and daunting are issues that are more basic than affordable housing, potable water, adequate supply of energy or effective health and sanitation measures. Fundamental issues of urban governance influenced by the indigenous political culture of Metro Manila make up the main challenges in the metropolis. Basically, these basic challenges are: (a) central-local government relations related to the search for an efficient structure for area-wide planning and governance; (b) the establishment of a rational system of public finance that ensures civil society participation and the inclusion of all social groups; (c) the open and democratic choice of political leaders; and (d) responsiveness and accountability in the conduct of public affairs as well as the minimization, if not eradication, of graft and corruption.

Metropolitan and Area-wide Governance

The past three or four decades have seen the flourishing of civil society groups in Metro Manila. There are many success stories of how NGOs and POs have influenced legislation, participated in the execution of projects and programs, engaged in joint ventures with state agencies in funding and managing developmental activities, and effectively monitored and evaluated projects to assess their effects and impact on the lives of the poor. Civil society groups are now integral parts of policy making and program-implementing government agencies. They act as tireless advocates, supporters, or critics of governmental actions. They have succeeded in influencing elections and even initiated recall movements against corrupt and erring officials. For example, current efforts to impeach the President of the Philippines because of corruption are strongly led by NGOs and civil society groups.

However, civil society efforts in participation and social inclusion have also achieved success at the local level—a testimony to the particularistic and *tayu-tayo* tendencies of political participants. Many efforts in the pursuance of area-wide actions, such as metropolitan or regional governance, have faltered. The 58,000 or so NGOs and POs officially recognized in the Philippines tend to be mainly focused on particularistic issues that directly affect the lives of their constituents. When wider issues, such as the need for area-wide action in comprehensive planning, or the implementation of projects that encompass many communities are faced, civil society efforts tend to falter.

Perhaps, this difficulty encountered by civil society groups in taking on broader sets of activities is rooted in the problem of scale. NGOs and POs are most effective when they mobilize the energies of individuals who interact with each other in a personalized and face-to-face manner. As the scale of activities increases and becomes more complex, however, there is a need for more impersonal, institutionalized and bureaucratized action. Many NGOs and POs in Metro Manila have not been able to transcend the personal scale and primary group orientation that make for passionate commitment to causes. A number of civil society groups, though, have become professionalized and have succeeded in overcoming the problem of scale. In general, however, the activities of NGOs and POs in Metro Manila are known for personal rivalries, bitter feuds and ideological wrangling that get in the way of effective participation.

The persistence of village-based attitudes and fragmented loyalties and identities in Metro Manila needs to be overcome if the future problems of the metropolis are to be dealt with properly. It is obvious that most of the problems faced by the region, from floods to garbage disposal, are only solvable with area-wide metropolitan cooperation and action. Somehow, people and communities need to transcend their primordial loyalties and identities and recognize their common problems. The exact form of area-wide governance in Metro Manila is not the issue. What is needed is a recognition that what confronts Metro Manila in the future are problems that affect the welfare of everyone and that popular participation should transcend petty and particularistic interests.

Systems for Fiscal Policy and Public Finance

The institutional structures for urban governance in Metro Manila already include civil society groups. However, the central government is still too dominant in the conduct of public affairs. This dominance is rooted in the lopsided structure of fiscal policy and resource management that makes the LGUs of Metro Manila so heavily dependent on central government grants and their share of internal revenue allotments. Decentralization and the grant of autonomy to local units have taken the form of devolution of powers to the smallest and weakest LGUs. To achieve their goals, NGOs and POs are expected to raise their own resources. The lack of adequate resources, therefore, poses one of the key issues in urban governance.

The system by which the central government collects revenues and then redistributes these to local government units has been justified in terms of the need to spread resources more equitably and thus the Metro Manila area is made to subsidize less prosperous parts of the Philippines. However, at present, it does not make much sense for the central government to allow Metro Manila to deteriorate for lack of investments in infrastructure and social services as this is tantamount to killing the goose that lays the golden eggs.

The LGUs of Metro Manila, through area-wide action (perhaps, with the help of a strengthened metropolitan governance structure), can improve life in the metropolis and encourage more vigorous development further. Already, individual LGUs, such as wealthy Makati City or Mandaluyong City, have been very successful in dealing with their own problems by relying on their self-generated financial resources. More success stories are possible if the central government loosens the financial purse strings and allows LGUs to become more financially self-reliant. A particularly important policy decision is the strengthening of the financial capabilities of the metropolitan tier of governance in order to enable the system to deal with area-wide challenges. It does not make sense for the central government to vest the MMDA with area-wide functions and not give it the financial powers to effectively carry out those functions. Sooner or later, the government and the citizens of Metro Manila will have to recognize that the viability of development in the metropolitan area depends on adequate financial and managerial resources vested in the appropriate level of urban governance.

Selection of Leaders

The ability of LGUs and other institutions in Metro Manila to solve the problems of the future will depend heavily on the quality of leadership in urban governance. Unfortunately, the political and societal processes for selection of leaders in the metropolis leave a lot to be desired. In general, leaders in Metro Manila have tended to come from the ranks of traditional politicians. Most of these individuals are so corrupt that the term *trapo* (literally, "dirty rags") has been applied to them.

A number of studies have documented the stranglehold by elite families of Philippine politics—evidence of "amoral familism" or the tendency to "maximize the material, short-run advantage of the nuclear family."[32] The formation and consolidation of "an anarchy of families" that

control much of Philippine political life has been well studied.[33] Another study offers an excellent guide to "the ties that bind" that make up the constellation of familial and business groups that comprise the Ninth House of Representatives. The book reveals that two out of every three of the 199 members of Congress elected in 1992 come from families whose families have held political office for years.[34]

The leadership problem in Metro Manila is rooted in the widespread poverty of people, poverty that gives the citizens a low level of efficacy and makes them fatalistic, and the particularistic nature of Philippine society. If people believe that their individual votes don't count, they are quite likely to sell their votes. Philippine laws state that a candidate for political office cannot spend more than Pesos 10.00 per voter for a campaign. Candidates, however, habitually spend a lot more than that, as there is no reliable way for determining actual expenses. To many poor people in the slum and squatter areas, the bi-annual elections are regarded as the occasion for getting something tangible from the politicians. They sell their votes to the highest bidder as they cynically argue that it does not matter who wins the election—the same elite groups will get elected each time. They also tend to vote on the basis of kinship ties, the bidding of local political party leaders, or personal whim. In the past couple of elections, many well-known media personalities (movie actors and actresses, TV anchors, newspaper columnists and sports heroes) were elected, regardless of their competence. Perhaps, the current problems faced by the President, a former movie actor, may reverse this trend, but it may take a long time before the Philippine electorate changes its attitudes and behavior.

The current situation in Metro Manila does not give much hope for positive changes in the area of leadership. Firstly, the salaries and benefits of public officials are extremely low and one suspects that the main motivation of individuals in running for public office is not to serve the people but to gain access to power that could be used to amass wealth, even through illegal or extra-legal means. The system of elections, based as it is on rendering direct services to constituents, granting favors, responding to interest group demands, and even vote-buying, calls for massive amounts of money. Politicians, therefore, rely on the financial backing of individuals and groups, who, in turn, collect on their rent-seeking investments when the politicians win. This electoral system does not give much hope for coming up with enlightened leadership.

People who enter the civil service face the same situation of low pay, poor working conditions and uncertain prospects for career advancement. The government has instituted civil service reforms that provide for a Career Executive Service, security of tenure, and wage and position classification systems that supposedly guarantee equal pay for equal work. However, salaries and benefits are so low that many civil servants, especially those in positions of authority like members of the police force, internal revenue agents or customs inspectors, routinely engage in graft and corruption. Anti-corruption laws and structural reforms have been instituted in Metro Manila but they have succeeded mainly in netting the small and not the big fishes. As a result, widespread cynicism permeates the government service, making it extremely difficult to attain good governance.

Responsiveness, Accountability and Minimization of Graft and Corruption

Probably the most serious challenge to Metro Manila governance in the future is ensuring that governmental decisions are responsive to what the people need and that public officials are accountable for their actions. Graft and corruption is a serious problem (Transparency International ranks the Philippines third in the world in terms of graft and corruption), and most of that corruption is centered in Metro Manila.

Manila newspapers routinely report cases of graft and corruption, including efforts to impeach a president for alleged bribery, corruption, betrayal of public trust, and violation of the Constitution. The efforts to minimize, if not eradicate, graft and corruption are timely because the price paid for corruption is much higher than the actual amounts of money stolen. Practically every infrastructure project set up in the metropolis is delayed because of allegations that the bidding process was irregular, contractors paid bribes to get the project, or that individuals close to powerful officials used their influence to get contracts approved. Developers are known to inflate the price of their bids because they have to factor in the cuts of public officials. Judges have been known to issue temporary restraining orders to delay projects, for a price. The Center for Investigative Journalism has amply documented several cases of graft.[35] However, very little has been done to bring corrupt officials to justice.

CONCLUSION

To sum up, the current situation in Metro Manila may be assessed on the basis of various criteria for good governance. This evaluation shows that Metro Manila has succeeded remarkably well in ensuring the active participation and inclusion of people and local groups in public decision-making related to the formulation, adoption, implementation and evaluation of policies. Civil society groups are now integral parts of governance mechanisms at the central, metropolitan and local levels. They are assisted by a militant mass media, cause-oriented groups, the churches, the business sector, and professional organizations in attaining the power to shape and influence governance processes.

While some problems have been encountered in managing elections, electoral choice in Metro Manila has been relatively free. Officials elected seem to have been the real choices of the people. The performance of some leaders after they win, of course, does not indicate that the people have always chosen wisely. Here, the militant watchfulness of civil society groups may be put to the test, later on, by the actual use of recall and impeachment mechanisms incorporated in the 1987 Philippine Constitution.

On the negative side, not even a minimum level of transparency and accountability has been achieved in Metro Manila. The many cases of graft and corruption that have been exposed by the mass media and NGOs have not been resolved justly and the rule of law has not always been adhered to. The police and the judicial system have not escaped being tainted by corruption and "hoodlums in uniform" have been joined by "hoodlums in robes" in the line-up of unsavory characters. While taking away jurisdiction over local police forces from LGU officials has resulted in some improvements, the strengthened powers of an increasingly militarized national police force makes a number of NGO leaders nervous.

What can be done to improve urban governance in Metro Manila? In my view, a stronger metropolitan form of governance is definitely needed. The current MMDA has very little authority and lacks financial resources. Key metropolitan-wide functions, such as comprehensive planning, land use control, traffic and transport management, flood control and drainage, and solid waste disposal have been placed under the jurisdiction of the MMDA but the law stipulates that these can be only carried out "without

diminution of the local autonomy" of local units. What needs to be done is to give the MMDA actual power and authority, as well as the financial resources, to effectively carry out these functions. This can be specified by new legislation that will uphold the status of the MMDA as a corporate body and a legitimate unit of governance, not just a development authority. This will not require a revision of the 1987 Constitution but a mere revision of Republic Act 7924 by a new law that can be ratified by a referendum. The MMDA has to be freed from the political control of the LGUs that make up the metropolitan area. It has to be established as a governance unit in its own right, with its own elected officials, and with institutional mechanisms for achieving administrative efficiency, as well as responsiveness and accountability, through the active participation of civil society groups in decision-making.

The privatization of certain area-wide functions such as water production and distribution, rapid transit and other transport services, toll roads and highways, electricity, and communication has shown the efficiency and effectiveness that private management can bring to urban governance. More urban services can be privatized, including garbage collection and disposal, energy generation, housing finance, and the management of special economic zones. The government can set appropriate performance targets and standards and leave it to the private sector to carry out these functions. In this way, efficiency can be achieved and the services can be freed from unwanted political pressures and interference.

The principal barrier to good urban governance in Metro Manila at present is the particularism and fragmentation rooted in indigenous political culture, ideological beliefs, and institutional structures of governance that have been used in the metropolis for the past 500 years. There is now an urgent need to transcend these village-based tendencies and come up with a metropolitan, or area-wide, governance system that can encompass the whole metropolitan area. Establishing such a system will not be easy. However, in the face of the serious defects of the current situation and the future challenges faced by the metropolis, the citizens of Metro Manila cannot ignore this option.

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THE IMPORTANCE OF PARTICIPATORY PLANNING

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In many countries, the principal tools of urban development policy continue to be urban development plans. In Chile, these are called Commune and Intercommune Regulating Plans. This is in addition to general governmental declarations of good intentions about improving the quality of life in the city.

These plans, designed by "experts," need to pass through long processes of preparation and even longer processes of approval. This often leads to loss in their validity by the time they finally reach the status of law. This is due to the fact that urban dynamics continue to generate important changes in the city's growth while these drawn-out processes take place.[1]

Often, potential investors are opposed to urban development plans because they maintain that these instruments, by putting a limit on urban growth and creating zoning requirements for density, restrict their possibilities of doing business in the city. The citizens object because they claim that the plans negatively affect their way of life by increasing density and allowing changes in land use.

At the same time, there is a clear lack of coordination between policies of urban development and other state policies, especially with policies for developing infrastructure. The government institutions that are in charge of infrastructure (in Chile, the Ministry of Public Works) are generally the most powerful. This is a result of the large amount of funds that they manage and their capacity to generate employment and stimulate the economy.[2] This concentration of power tends to make them the principal institution that decides where and how cities grow.[3]

Another important contradiction has developed between the proposals for urban development and environmental demands, which are increasing in all countries. Some countries, like Great Britain, have solved this problem by providing environmental evaluation criteria within their development plans.[4] However, in many other countries, such as Chile, environmental concerns have simply become what many public and private sector institutions consider "one more hurdle" that increases the difficulty of the already complicated process of approving plans and projects.

In a historical period in which the state is being reduced basically to the role of coordinator and supervisor—remaining in charge of only those responsibilities which are considered indispensable—the role of the private sector in "real planning" is becoming increasingly important. In light of this, the city is being constructed in a fragmented man-

ner, through large building projects that *create* new suburbs and *recreate* older urban spaces by renovating central sectors of the city.

The state and local authorities, constantly seeking to attract new investments to the city, are facilitators for the development of new projects, increasing and improving infrastructure, and generating conditions that will produce greater profit-margins for building projects.

Since private capital is primarily interested in building opportunities for the middle and wealthy sectors, urban development in the lowest-income zones remains the responsibility of the state. The state does not have the sufficient economic capacity to substantially improve the quality of life of the poor. At best, it is merely able to provide them with basic services, and that itself requires great effort. As a result, developing countries have two cities within one. As the gap between the rich and the poor increases (a fact that all national and international indicators confirm), so does the difference between the city of the middle and upper class and the city of the poor.

On the other hand, citizen groups are increasingly expressing their resistance to specific projects that they feel negatively affect their quality of life, such as roads, a supermarket, landfills, or construction projects. Recently, these urban environmental movements have attained enough influence to generate additional high costs for projects as well as sometimes preventing their execution.[5] One tactic that citizen groups use, which serves the purpose of delaying the approval of a project, is to demand that the government conduct an exhaustive environmental study. These demands considerably increase the costs and time required for finishing the project.

Despite the official government discourse that assures that planning takes into account public opinions, citizens are often ignored, at best, invited to informative meetings where their opinions are noted but rarely reflected in the final plans.

This does not mean that the citizens alone should decide the future of the cities, since multiple interest groups with incompatible and opposing viewpoints would emerge immediately. However, if we wish for urban development policies to serve as true tools for promoting development and improvement in the conditions of life of the whole population, it is indispensable to improve the systems of participation in order to achieve consensus and build alliances among different interests groups. Citizen's ideas pertaining to their neighborhoods and their developments can be very positive contributions to the prospect for improving urban life. Furthermore, their demands are often more realistically achievable than the proposals of external experts.

Not only is it important to reach an agreement between citizens and the state, but also with local investors. Often, these investors are inhabitants of the same city and thus have the opportunity to improve their urban environment while making a profit.

The concept of participatory planning proposed here requires changing the order of the process, and from the beginning, getting the opinions of potential investors and those citizens who can be affected by the changes.

When citizens and investors are included from the beginning of the planning process, they become positive elements within the process and not perpetual opponents of the urban development plans. If this occurs, planning, which is a product of consensus, has a much greater chance of taking place, since from the outset it has the support of both capital and citizens. Moreover, the citizens become key defenders of the policies which they support (for example, a pedestrian zone).

In order to achieve this system of participatory planning, the process needs to be designed so as to encourage honest dialogue among all the actors interested in the area in question. The working groups should always include the state, the owners of the properties, potential investors, and the residents and their representative organizations. To guarantee the effectiveness and attainability of this process, it is critical to design mechanisms which allow progress to continue despite the natural differences in perspective and interest among the different actors.[6]

It is also vital to actively promote consensus among the different groups by addressing the prejudices and mutual distrust that today exist among the state, the private sector, and citizen groups. It is participatory planning's task to demonstrate to the traditional antagonists of the urban scene that collaboration and agreement can create a more livable and attractive city, both for construction businesses and for citizens.

No planning process will be free of opposition, and a certain degree of dissatisfaction and conflict are a logical reaction to changes which affect people and their daily lives. This is part of any democratic process. However, planning is the only tool that can limit the level of negative impacts on the population, since its purpose is to prevent adverse affects of urban growth on the population. Adequate participatory planning can diminish adverse reactions to plans and projects and transform these elements of resistance into opportunities for cooperation to achieve a better quality of urban life.

Notes

1. This occurs not only in countries of the South, like Chile, but also in countries of the North, like Great Britain. For example, see Chris Yewlett, Conference on "Current Development of Planning in Great Britain," Instituto de Estudios Urbanos, Santiago, Chile, November 2, 2000.

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6. In this sense, techniques for resolving conflict may be very important tools to give fluidity to the process of participatory planning.

Decentralization and Urban Governance: Reforming Tokyo Metropolitan Government

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The rise of mega-cities has been accompanied by a concern over how to govern city-regions in a way that is both democratic and effective. One issue is how to structure local and regional government to ensure effective metropolitan planning, coordination, and development. A second issue is how to organize the delivery of public services in a way that is efficient, accountable and equitable. A third issue is how to develop civil society and ensure that local and regional governments fulfill democratic aspirations. Of course, the very meaning of these concepts is shaped by local and national political cultures so that the answers in one community and nation may vary dramatically from another.

In this paper, I examine the case of Tokyo Metropolitan Government (TMG) revealing both the successes and challenges of metropolitan governance in the twenty-first century.[1] Reforms are underway in Japan and Tokyo to devolve authority to local governments. At the same time, central government administrative reforms and decentralization policies may significantly alter the intergovernmental system. One lesson emerging from the study of Tokyo Metropolitan Government is that institutional reorganization and boundary adjustment are no longer sufficient or practical solutions to the challenge of metropolitan governance given the scale of urbanization. Greater attention must be focused on how to better structure the intergovernmental system to foster needed cooperation and coordination and on how to bolster local autonomy, capacity and initiative.

JAPANESE URBANIZATION AND THE TOKYO PROBLEM

The earliest Japanese cities were founded as national capitals or to provide political–administrative and military functions.[2] Most Japanese cities trace their roots to feudal origins, many beginning as Castle Towns that developed in the 15th and 16th centuries. Other specialized cities rose as post-station towns (serving travelers along the main roads from the capital Edo), religious towns (serving pilgrims traveling to shrines and temples), trading and market towns at seaports, and hot spring towns.[3]

Karan[4] identifies four stages of urbanization in modern Japan. The first covering the Meiji era (1868-1912) is associated with early industrialization and decline in agricultural production. The number of workers engaged in rural production declined to about 50 percent. The proportion of population living in cities of 50,000 or more doubled from 8 to 16 percent.[5]

In the second stage, (1930-50), population continued to flock to cities and agricultural production continued to decline. In this period, the modern Japanese metropolis developed. By 1940, just under a third of the population lived in cities. Four cities had more than a million people (Tokyo, Osaka, Kyoto, and Nagoya) and there were 45 cities with more than 100,000 persons compared to only 15 cities in 1920. World War II led to some reversal as the share of population in cities declined to about one-fourth of the population and the larger cities lost significant population. For example, Tokyo lost 1.2 million residents and Osaka 1.1 million.[6]

The third stage of urbanization from 1950 to 1970 is characterized by rapid urban migration and economic expansion. By 1970, 72 percent of the population lived in urban areas and less than one-fourth was still engaged in the rural economy. Six cities now had more than a million persons (Tokyo, Osaka, Kyoto, Nagoya, Yokohama, and Kobe) and 150 cities had more than 100,000 persons. Although city population peaked in some of the cities such as Tokyo in the early 1960s, population growth spread throughout the surrounding areas.[7] Rural areas experienced significant population loss. As many as 30 million people relocated in this period.[8]

The fourth and current stage of urbanization, after 1970, is associated with the rise of a post-industrial economy and accelerated metropolitan growth. More than three-fourths of the population now lives in urban areas and only 10 percent are still working in the rural economy. Another four cities attained the million person threshold (Kitakyushu, Sapporo,

Kawasaki and Fukuoka) bringing the total to ten. More than 209 cities held 100,000 or more persons. A few cities—Tokyo, Osaka, and Kitakyushu—actually lost a small portion of their population in the 1980s. However, overall urbanization reached a new scale with six of the major metropolitan areas fusing together to form the "Japanese mega-lopolis" along a single axis—Tokyo-Yokohama-Nagoya-Kyoto-Osaka-Kobe. This megalopolis includes more than 78 million people accounting for 63 percent of the population of Japan.[9] Population density is quite high in the megalopolis, which accounts for only about 3 percent of the land area of Japan.[10] This pattern of urbanization was dictated by the nation's geography that squeezes population on plains or hills between the coast and the mountains in a narrow strip. However, the high degree of government centralization also promotes Tokyo's primacy. Corporations and other nongovernmental organizations find it necessary to be in close proximity to ministry offices in central Tokyo.[11]

Karan[12] identifies several challenges facing cities in Japan including dealing with environmental degradation and pollution, infrastructure development and ensuring residential housing in the inner cities.[13] All Japanese cities must also be prepared for earthquakes and other natural disasters. Many cities continue to have large districts with old wooden housing and narrow streets laid out in the feudal pattern, complicating emergency preparedness strategies. Most cities have focused on suburban development and neglected inner city redevelopment. Commercial devel-opment has crowded out residential neighborhoods and led to soaring housing and land prices. The "Tokyo Problem," as it is referred to, results from Tokyo's emergence as a global city[14] bringing overconcentration of business and development to the capital city and Tokyo's primacy over the urban system. This causes population loss and economic decline in rural areas and even other large mega-cities such as Osaka and Nagoya.[15] More than 30 million people live in the capital region spread out among 11 pre-fectures. Takahashi and Sugiura characterize this as a reorganization "from a *hierarchical urban system* to a *uni-centred urban network*" since the 1980s.[16]

The central government and Tokyo Metropolitan Government have sought to deconcentrate population into new development poles and cre-ate a more even distribution of population and business within the metropolis and the nation. More suburban centers were built and increased government investment went to infrastructure development in

medium sized cities. Tokyo Metropolitan Government relocated its city hall to the Shinjuku Ward in an effort to promote a system of subcenters to reduce development pressure in the central business district. The central government sought to move industry out of the Tokyo megalopolis.[17] However, the high tech and electronic industry associated with a post-industrial economy quickly replaced the departing manufacturing operations that located in neighboring prefectures. The rapidly growing service sector including banking, securities, insurance and producer services concentrated in the major metropolitan areas, especially in Tokyo.

Central government and Tokyo Metropolitan Government efforts to foster a more balanced and multi-centered metropolis have been thwarted. Outward expansion occurred simultaneously with overdevelopment and concentration in the core. New satellite centers contributed to the emergence of a single homogenized megalopolis fused together. Some small and medium sized cities have been experiencing severe decline due to economic restructuring[18] and the pull of Tokyo. The relocation of the capital out of Tokyo is one of the options being pursued by the central government as a possible remedy. Tokyo Metropolitan Government vehemently opposes this proposal. Additional factors complicate efforts to redress the Tokyo problem including the land bubble burst, national economic crisis and related fiscal crisis. National corruption scandals in the government and bureaucracy have undermined citizen confidence and trust in public and private leaders to address problems.

LOCAL GOVERNMENT IN JAPAN

The System of Local Government in Japan

The Local Autonomy Law of 1947 provides the basic framework of modern local government in Japan. Table 1 provides a brief description of the types of local governments. There are two basic types of local public authorities: ordinary and special. Ordinary local governments include prefectures and municipalities. Prefectures, similar to counties in the United States, provide upper tier services.[19] Municipalities provide more basic urban services. The two levels of government are considered to have "equal standing."[20] However, as Reed[21] points out, "Generally, prefectures are superior to municipalities, and all communications between the central government and municipalities must pass through the prefecture."[22]

Table 1
Local Government in Japan

Ordinary Local Public Entities	Number	Explanation
Prefectures	47	Prefectures are responsible for "upper tier administration." Prefectures and municipalities have "equal standing" so that municipalities are in theory not subordinate to prefects. Responsibilities include:
• To	(1)	• Affairs which cover a wide area, such as preparation of overall development plans for regional, mountain and river development;
• Do	(1)	
• Fu	(2)	• Affairs which require overall uniformity such as maintenance of the established standard of compulsory (and other) education, and the administration and operation of a police force;
• Ken	(42)	• Affairs which relate to the liaison and coordination of municipalities, such as relations between the national govern-ment and municipalities;
		• Affairs which exceed the level which municipalities are deemed to be capable of handling properly, such as the establishment and maintenance of senior high schools, laboratories and museums.
Municipalities	3232	Municipalities are responsible for "local administration." The primary differences between cities, towns, and villages is population size. Designated cities have greater authority than ordinary municipalities.
• Cities (Shi)	669	Cities with more than 50,000 persons and 60 percent of the population in the urban center.
• Ordinance Designated Cities (Shitei-toshi)	(12)	Cities with 500,000 or more population are granted more authority by the central government. They perform some tasks normally carried out by prefectures. The designated cities are Osaka, Nagoya, Kyoto, Yokohama, Kobe, Kitakyushu, Sapporo, Kawasaki, Fukuoka, Hiroshima, Sendai and Chiba.
• Nucleus Cities (Chukaku-shi)	(12)	Cities with 300,000 up to 500,000 may carry out activities that Designated Cities would undertake unless it is more suitable for the Prefecture to carry out these responsibilities.
• Towns (Cho)	1993	
• Villages (Son)	570	

Special Local Public Entities	Number	Explanation
Special Wards	23	Only found in Tokyo-To. Similar to a municipality with an elected mayor.
Cooperatives of Local Public Entities	2,822	These allow municipalities and prefects to jointly provide services.
Local Development Corporations	10	
Property Wards	4244	These are created to manage property owned by cities.

Source: Excerpted and summarized from Isozaki (1997), chapter one.

The 12 largest cities after Tokyo fall under the category of Ordinance Designated Cities, which carry out many prefecture activities and communicate directly with central ministry officials.

The special public authorities of most concern in this paper are the 23 wards, located in Tokyo. These wards have special status, unique in Japan, resembling municipalities with elected mayors. Although wards exist elsewhere, these are administrative units that have semi-independent status but are subordinate to the Tokyo Metropolitan Government. Wards in Tokyo are discussed in more detail later in the paper.

Many of the functions provided by local government originate under *agency delegation* (kikan inin jimu) from central government ministries. About 80 percent of prefecture activities and 40 percent of municipal functions are the result of agency delegation.[23] The mayor or governor "becomes an agent of the central government subject to the supervision of the assigning ministry."[24] The prefecture or municipal assembly has no control over delegated functions.

The central government ministries have a great deal of discretion in guiding local governments. The Ministry of Home Affairs (MHA), primarily charged with overseeing local government, rotates officials throughout prefectures and municipalities. Local governments ignore administrative guidance from above at their own peril. MHA and other central government ministry officials also directly take on lead management roles in local government administration. For example, most finance heads in prefects are MHA officials.[25] (Tokyo Metropolitan Government is the only prefect that does not routinely invite central ministry officials to serve in administrative positions). Nearly half of the governors of prefects are former MHA officials.[26]

In addition to agency delegation, local governments are financially dependent upon the central government. The extent of financial dependence is revealed in comparing national government tax collections to expenditures. The national government collects more than 60 percent of the revenue. However, it directly spends only 35 percent. The rest of the money is transferred to local governments.[27] Local taxes account for only about 33 percent of local revenues.[28] Until recently, the figure was less than 30 percent and referred to as *30 percent autonomy* "symbolizing the weakness of local governments." Some larger cities with their own independent sources of revenue had greater autonomy. Tokyo Metropolitan Government, for example, had "70 percent autonomy."[29]

Limited Local Autonomy

The system of local government in Japan is heavily centralized under a unitary state. The system may be described as administratively decentralized rather than politically decentralized. Local autonomy is quite limited compared with a federal system such as the United States. Although local government has rather limited autonomy, the 1947 Constitution imposed by the allied occupation of Japan was premised on the need for greater local autonomy as a basis for democratic government.[30] Supreme Command for the Allied Powers (SCAP) viewed a strengthened local government as a counterweight to authoritarian and centralized government that had led Japan into war. Decentralized local government would provide the means to resist any militaristic tendencies, limit the ability of the central government to wage war in the future and ensure civil liberties. Under SCAP, the Home Ministry was dismantled, the police and education were decentralized and local prefect and municipal services were separated from national functions. Decentralization was not based on the superiority of local administration but instead the need to counter authoritarian tendencies and to promote democracy.[31]

There are two distinct goals embodied in SCAP reforms to further democracy in Japan. First, national power was to be limited by divesting central government of local functions, which were transferred to local governments thereby strengthening local government institutions and providing a check on national power. Second, increased participation by local citizens was to ensure that local government decisionmaking reflected local desires. Local government would not be an implementer of national policy (i.e., a branch office) but a strong and independent institution for local democratic governance. This was to be realized in part by the direct election of mayors and governors and school boards and by provision for the recall of elected officials as well as transparency of local administration. "Participation in local governance was to serve at least two ends: training in democratic citizenship and the development of democratic leadership."[32]

However, the local government reforms did not succeed as well as intended. Japan's local governmental system, even before the war, had been based upon "continental European models of administration" rather than "American-style decentralized local government." The major barriers to local government reform were "strong bureaucratic resistance to administrative and financial decentralization, skepticism on the part of conservative

governments concerning the capacity of local authorities and failure by SCAP to tackle early and strongly enough problems of local finance."[33]

Thus Japanese local government after WWII embraced two contradictory tendencies, a centralized bureaucratic tradition fused with postwar democratic reforms including "norms of local autonomy."[34] Terry MacDougall, while recognizing that local reform in Japan turned out different than expected, is sanguine about the evolution of local government and its contributions to building a democratic state. "It has proved to be a flexible and dynamic system, adjusted constantly over the past three and a half decades to changing issue agendas generated by the nation's social and economic transformation and contending political forces."[35]

MacDougall provides a cogent summary of the evolution of modern Japanese local government.

> Local government issue agendas in postwar Japan have evolved through four overlapping phases, each with rather distinct central themes. During the first postwar decade, controversy centered on the relative merits and demerits of the Occupation reforms and on the efforts of the conservative parities nationally to recentralize the administrative system. From the mid–1950s through the mid–1960s, local governments became deeply enmeshed in the national drive for economic growth, which they hoped to harness for local prosperity and for a solution to their financial problems. By the late 1960s or early 1970s local governments throughout the country had to contend with citizen activism spawned by severe environmental deterioration and mounting urban and social problems. From the mid–1970s they have emerged gradually into a pivotal role in defining a new Japanese democratic synthesis quite different from, but not necessarily less democratic than, that anticipated by the Allied Occupation.[36]

Others have been more critical of the local governmental system that has evolved in Japan. In the long-run, the local government reforms imposed by SCAP did not significantly reduce central ministry powers nor lead to strong local government as a counterweight to national power. Even before the occupation ended, the traditional centralized state overtook the reforms. Local home rule was formally the rule. However, the practice of agency delegation meant that governors and mayors, though

now elected, continued to carry out central ministry policies and were subject to administrative guidance. Local governments were not provided with a sufficient local tax base or distinct local powers to ensure that they could act independent of the national government.

In Japan, a vigorous scholarly debate has been occurring over whether local government is an autonomous and important actor in addressing urban problems and empowering citizens to shape local and national policies to improve the quality of life. The orthodox view of local government in Japan has been that it lacks local autonomy. Reflecting the centralized nature of the Japanese state, local government was granted little autonomy and operates in narrow confines under the direct administration of central ministries. Local government is charged with managing urban services and administering central government policies. In this sense, urban studies or local administration are rather unimportant and largely ignored within political science and public administration.

More recently, several studies have challenged the conventional wisdom arguing that local autonomy has been underestimated. In this view, most forcefully argued by Michio Muramatsu[37] and Steven Reed,[38] cities and prefectures have a great deal of latitude in decisionmaking and compete vigorously for central government favor. National policy (and local) is not the result of centralized decisionmaking from above revealed and implemented from below but a function of a pluralist political competition among local governments from below. The winners of this competition see their plans and proposals incorporated and adopted in central ministry plans. Under the national Constitution and laws, the powers of central government appear preeminent while those of local authorities are weak on paper. However, Muramatsu and Reed argue that local government enjoys a great deal of autonomy in actual decisionmaking missed by constitutional, legal, and institutional analysts. They argue that central–local relations are best characterized as interdependent. More sustained research is now exploring under what conditions greater local initiative may occur.[39]

ADMINISTRATIVE REFORM AND DECENTRALIZATION POLICIES

Administrative Reform in the 1980s

Underlying general administrative reform and decentralization policies is the view that the economic and fiscal crisis facing Japan is the result of too

much power and authority in the hands of central government ministries. Recent scandals involving bureaucrats have undermined general support and confidence in the ability of central government to improve the economy and address major problems.

Shinodo Tomohito[40] traces the efforts to reform Japanese government. Upon taking the office of Prime Minister in 1980, Zenko Suzuki was confronted with the need to cut spending to reduce deficits. He appointed Yasuhiro Nakasone to head the Administrative Management Agency that was responsible for administrative reform. Nakasone took the advice of the agency bureaucrats to convene the Second Ad Hoc Commission for Administrative Reform or Rincho as it is referred to in Japan. Nakasone built support among other ministries to convene the body to consider ways to reduce central government waste. The proposal was introduced at a cabinet meeting in September 1980.[41]

In January 1981, Toshio Doko, a well-known and respected business leader and retired head of the Federation of Economic Organizations was named to head the Rincho. This ensured that the recommendations would have strong support in the business community and that the commission would have more independence than was usually the case. Doko insisted on several conditions before accepting the appointment including that the prime minister would support the commission's recommendations and that no taxes would be increased to address the deficit. The prime minister agreed and the Rincho was set up in March 1981. Tomohito reports that "Suzuki publicly stated that he would stake his political life on administrative reform," making the effort his top priority.[42]

Turning first to the budget deficit, the commission recommended an initial across the board cut of 10 percent in the 1982 budget. This proposal was accepted. The committee then turned its attention to deregulation policies and privatizing major public corporations (Nippon Telegraph and Telephone, Japan Tobacco and Salt Public Corporation and Japan National Railways). Doko brought additional business leaders to help promote reform, including the founders of Honda and Sony who formed the National Forum to Promote Administrative Reforms. A large movement of support was being organized on behalf of reform. The Forum had more than 20,000 members actively speaking out. Public support also grew for a proposal to privatize Japan Rail, which was accepted by the cabinet in August 1982.[43]

The economic recession reduced government revenues leading to the need to sell "deficit-financing bonds" for the 1984 budget, something Prime Minister Suzuki had pledged not to do. This reversal, combined with foreign policy gaffes, saw his popularity decline. He decided not to run for reelection as Liberal Democratic Party (LDP) president.[44] Tomohito attributes Suzuki's lack of success to his passivity and unwillingness to take a lead role in reform efforts. In 1983, Nakasone took over as president of the LDP and prime minister. He set up a committee to privatize Japan Rail and created an Advisory Council on Enforcement of Administrative Reform to plan for greater administrative reforms, which he persuaded Doko to chair.[45]

The LDP then faced a serious political crisis that cost it the elections in December 1983. Former Prime Minister Tanaka was found guilty of bribery from Lockheed. Rather than resign from the Diet, he indicated his intent to appeal the charges. The public quickly withdrew support from LDP and Nakasone was forced to call for new elections. The LDP lost 38 seats and its majority in the lower chamber. Nakasone was able to get the New Liberty Party to form a coalition government and reform, popular with the public, was central in the platform. Nakasone was able to show how administrative reform was needed to address the mounting deficit. He secured support in 1984 for reforming health care, requiring patients to pay 20 percent of the costs. In 1985, he turned to privatizing Japan Rail that was approved by the cabinet.

The opposition parties, tied to labor which were against the privatization, were hesitant to oppose the deal for fear of giving the prime minister an excuse to call new elections. The prime minister was able to engineer new elections anyway and LDP regained a majority in both the lower and upper chambers. In the new cabinet, Ryutaro Hashimoto was appointed to transportation to oversee privatization efforts. In the fall of 1985, the Diet approved the privatization plan. Nakasone had successfully pushed administrative reform and avoided the need for deficit financing by the end of the 1980s.[46]

Tomohito's interview with an associate of Prime Minister Nakasone provides some insights into the success of administrative reform at that time.

> First of all, it was good timing. Prime Minister Nakasone's administrative reform matched the worldwide trend. Many Western nations

were going for deregulation. In the United States the Reagan administration called for a small government with more efficiency. It was also when many people talked about Great Britain disease. Ideology for a controlled economy and society declined and the world leaned further toward the free economic system. Prime Minister Nakasone then came up with this administrative reforms with the slogan of "Clearing the Postwar Political Legacy." It was just good timing. Second, we had a charismatic business leader as a head of the Council. Mr. Doko Toshio became a symbol for the reform. This helped significantly. Third, Mr. Nakasone had a determined political attitude toward the reform. His way of handling the issue sometimes created friction within the party. The good timing, however, helped the prime minister.[47]

Tomohito distinguishes the administrative reforms of the 1990s from earlier reforms based upon the need for deficit reduction, focusing on "public distrust" of bureaucracy.[48] Scandal after scandal emerged concerning ministry officials' personal misconduct and incompetence. Prime Minister Hashimoto of the LDP headed a coalition government in 1996. Although unable to win a majority, LDP increased its numbers in the house. The other coalition parties, the Socialist and the Sakigake, both lost many seats. They agreed to form a majority bloc in the house but declined to accept any cabinet positions. All the parties had run on a reform platform including a reduction in the number of ministries.[49]

Hashimoto then formed a Council on Administrative Reform and appointed himself as chair. No bureaucrats sat on the council. In an interim report, the council called for "reinforcing the cabinet, privatizing postal saving and insurance services, dividing the politically powerful Ministry of Construction and decreasing the number of government agencies from 22 to 13."[50] In 1997, Hashimoto made the mistake of appointing a member of the LDP with a conviction for bribery to a cabinet appointment. This undermined support for Hashimoto and his reforms. At the same time, Hashimoto was blamed for the severe recession because of his "tight fiscal policy."[51] Party support quickly eroded. When he needed public support the most, he made a critical error. As Tomohito explains, "LDP members felt free to destroy the reform plan."[52] The new Prime Minister, Keizo Obuchi paid lip service to reform but took little action.

Further progress was made on administrative reforms in 1999, when the Liberal Party joined a coalition government with the LDP. This led to the passage of the Bill to Enhance Diet Operation and the Politician-Led Policy Making System. Ichiro Ozawa, head of the Liberal Party, insisted on several conditions including the "immediate reduction of cabinet ministers from 20 to 15," which would make it easier to have consensus. LDP agreed to reduce to 18 initially and then to 14–17 by 2001. The two parties set up project teams to consider other reforms. Ozawa asked for the elimination of "the government commissioner system," where bureaucrats answered questions in the Diet instead of political leaders, to foster stronger political control of the bureaucracy. This change took place in the fall of 1999. Also, the deputy minister position was now to be a political appointee and not a member of the bureaucracy, reducing bureaucratic power and strengthening political control. The parties also agreed to create a standing committee to deal with national policy in the Diet where the prime minister and party leaders could debate policy following the British system.[53]

Decentralization in the 1990s

Although given less focus than broader administrative reform, there has been growing interest in fostering greater decentralization.[54] In May 1995, the Decentralisation Promotion Law was enacted by the Diet. Under this law, the Decentralisation Promotion Committee was set up in the Prime Minister's office to produce a plan for decentralization. The commission included "former governors, mayors, government officials and university professors" and was "chaired by Ken Moroi, the vice president of the Japan Federation of Employers' Association."[55] The commission was intended to rethink intergovernmental relations based upon academic study and practical realities.

In March 1996, the committee released an interim report on decentralization and made recommendations to Prime Minister Hashimoto later that year. The plan called for a new relationship between the central and local governments by eliminating agency delegation and bolstering local autonomy, both for prefectures vis-à-vis the central government and municipalities vis-à-vis prefectures.[56]

Preparing Local Governments for Decentralization

Local governments require improved administrative structures and policies if they are to act as intended under the decentralization plan. A number of related reforms tie into the decentralization plans. First, the central government has created a new system of "Core Cities" to allow cities below the 500,000 population threshold to carry out the same activities as Designated Cities,[57] including supervision of nursing homes, inspection of sewer facilities and approval of certain redevelopment projects. These cities would have to provide public health facilities not previously required of them. Second, the central government has created the Wide-Area Union System to allow local governments to provide services over a wider region. Municipalities can form a Union with the permission of the Prefect Governor. If a Prefect is party to the agreement, the Minister of Home Affairs must approve it. These Unions can accept transfers of authority or service, providing a way to promote cooperation among local governments. As of June 1997, four Unions existed. The third related reform was a change in the law to promote voluntary municipal mergers. Finally, local governments are engaged in administrative reform to ensure they have the capacity to receive their increased autonomy and to be consistent with broader administrative reform at the national level.[58] The Ministry of Home Affairs is charged with advising local governments to be sure they are ready for the changes.

Assessing the Effects of Decentralization on Japanese Local Government

In May 1998, the Decentralization Promotion Program was adopted to implement the decentralization law. This called for abolishing the system of agency delegation and replacing it with "legally commissioned" activities. There are 561 agency delegated functions that are to be abolished. The plan also calls for new rules limiting the circumstances under which the central government can interfere in prefecture and municipal affairs and when prefectures can interfere in municipal affairs.

The decentralization plans will have a major impact on the operation of Japanese local government. Whether they will actually create more autonomous local government is more dubious. Most observers doubt that the reforms will have the intended effects. As the mayor of one small city explained, "Decentralization is an idea that is very important and we

welcome decentralization."[59] However, he pointed out that in this case decentralization was promoted "to ease the central government's financial situation." The mayor went on to point out that the central government was "trying to rationalize" budget cuts in the guise of decentralization. He pointed out that real decentralization requires "financial reform to back it up." This is why most question the sincerity of the current reforms. Agency delegation will end. However, municipalities and prefectures will still have to carry out mandated activities. Furthermore, no independent body exists to arbitrate disputes in center-local relations. In the United States, a federal system, this role is ultimately filled by the Supreme Court.[60]

Naohiko Jinno[61] points out that real decentralization and reform cannot occur until fiscal decentralization takes place. However, financial reform has been deferred until after broader administrative reform and decentralization occur. Thus local officials remain skeptical that the government is serious about reform. This is especially true given the nature of the economic and fiscal crisis facing Japan. The fear is that reform in Japan parallels the New Federalism reforms of the Reagan era in the United States, where, a reordering of the intergovernmental system was promoted to reduce the federal role, which was said to eclipse state and local governments. However, in the United States, fiscal and economic policy took precedence. The result was large tax cuts and efforts to reduce budget deficits leading to a major reduction in federal aid to cities.[62] Thus program turnbacks were experienced as budget cuts. Perhaps local autonomy was promoted in the long run as cities had to become more self-reliant. However, local governments in the United States have much more autonomy than in Japan.

Local governments in Japan have limited ability to adopt local taxes for their own use. While they provide most public services, they lack the resources to pursue their own local projects. This will not change under the current reforms and the local authorities will still be responding to central ministry priorities and policies. This leads Jinno to characterize the Japanese system as a "centralized-deconcentrated system" rather than decentralized.[63] Even if broader administrative reforms succeed in bolstering political authority over bureaucratic authority, decisionmaking will still be lodged in the central government ministries in Tokyo with programs and policies mostly implemented by local governments.

Akira Nakimura[64] believes decentralization poses a great threat to bureaucratic power and that the central ministries will resist it. He believes that decentralization will occur, not by grant of central government, but as a result of globalization that loosens the ties of local governments to the center as they interact with other governmental and non-governmental groups internationally. He argues, "these cross-national contacts at the metropolitan level will expand in the area of international regulatory cooperation."[65] Few share his optimism.

TOKYO METROPOLITAN GOVERNMENT

Tokyo is one of the few global cities governed by a metropolitan government.[66] As we have seen, Japan is a highly centralized nation and population, with industry and finance concentrated in the capital Tokyo. The concentration of business and finance on top of the political functions associated with being the nation's capital has led to an overconcentration in the central wards of Tokyo. Office building in the boom 1980s period crowded out residential housing and led to skyrocketing land values as speculators and builders bid up the prices.[67] Tokyo has also seen the influx of international organizations (NGOs) associated with its emergence as a global city. The major difficulties facing Tokyo are how to foster balanced growth and a decentralized or multi-centered metropolis to reduce housing shortages, traffic congestion and waste disposal problems that arise from over-concentration.[68] There is also recognition that TMG is too centralized administratively, leading to efforts to decentralize authority and devolve services and functions to the ward level.

Tokyo consists of the 23 special wards (*ku*)—corresponding with the old city of Tokyo, after the amalgamation in 1932—and the Tama district (western suburbs) containing 26 cities, five towns and one village, and a number of islands scattered in the Pacific Ocean.[69] The City of Tokyo and the Tokyo Prefecture were consolidated to form Tokyo Metropolitan Government in 1943. Table 2 reports the population for the 23 wards (the urban core); the current metropolitan city of Tokyo that is within the boundaries of TMG; and the larger Tokyo metropolitan region including the neighboring three prefectures of Saitama, Kanagawa, and Chiba. In 1995, Tokyo had nearly 12 million people; the 23 wards account for just under 8 million or about two-thirds of the population. The Tokyo metro-

Table 2

Changes in Population, Tokyo Metropolitan Region (1000 persons)

Year	Tokyo Region	Tokyo	23-ku	Tama area	3 neighboring prefectures
1960	17,860	9,680	8,310	1,370	8,180
1965	21,020	10,870	8,890	1,980	10,150
1970	24,110	11,410	8,840	2,570	12,710
1975	27,040	11,670	8,650	3,030	15,370
1980	28,700	11,620	8,350	3,270	17,080
1985	30,270	11,830	8,350	3,480	18,440
1990	31,800	11,860	8,160	3,690	19,940
1995	32,570	11,770	7,970	3,800	20,800
2000	33,520	11,730~11,810	7,800~7,900	3,910~3,930	21,790
2005	34,290	11,680~11,810	7,630~7,810	4,000~4,050	22,610
2010	34,730	11,550~11,740	7,420~7,690	4,050~4,130	23,180
2015	34,790	11,400~11,660	7,240~7,590	4,070~4,160	23,390

Reproduced from: Bureau of City Planning, Tokyo Metropolitan Government, *Urban White Paper of Tokyo Metropolis* (Tokyo: TMG, 1996), 14.

politan region had a population of about 32.5 million people with Tokyo making up about one-third of the regional population. The density in the 23 special wards is 13,000 per square kilometer; in Tama it is 3,250 per square kilometer.[70]

The population of the wards varies from fewer than 40,000 to over 600,000 (see Table 3). For the last several decades, the wards have been losing population. However, more recent census figures in 1997 indicate that the wards actually gained 8,400 persons. This is likely due to cheaper land prices and fewer jobs outside of Tokyo related to the economic troubles.[71] These figures do not take into account commuters. In 1990, the daytime population of Tokyo was just under 14.5 million and about 11.3 million in the 23 wards.[72]

Table 3
Population of Wards, 1990

Ward	1990 population	Percent change from 1985
23-ku	8,163,573	–2.3
Chiyoda–ku	39,472	–21.8
Chuo–ku	68,041	–14.9
Minato–ku	158,499	–18.5
Shinjuku–ku	296,790	–10.8
Bunkyo–ku	181,269	–7.5
Taito–ku	162,969	–7.8
Sumida–ku	222,944	–3.1
Koto–ku	385,159	–1.0
Shinagawa–ku	344,611	–3.7
Meguro–ku	251,222	–6.7
Ota–ku	647,914	–2.2
Setagaya–ku	789,051	–2.7
Shibuya–ku	205,625	–15.2
Nakano–ku	319,687	–4.8
Suginami–ku	529,485	–1.9
Toshima–ku	261,870	–6.0
Kita–ku	354,647	–3.5
Arakawa–ku	184,809	–2.8
Itabashi–ku	518,943	2.6
Nerima–ku	618,663	5.2
Adachi–ku	631,163	1.4
Katsushika–ku	424,801	1.4
Edogawa–ku	565,939	9.9

NOTE: Wards in bold face are the seven most central wards. The three wards identified in bold and italics contain the central business district.

TMG Administrative Structure

In 1943, the City of Tokyo and Tokyo Prefecture were consolidated as part of the "wartime centralization policies." Prior to this, the city had an elected mayor and the prefecture had an appointed governor.[73] The new

Metropolis of Tokyo was governed by *Tokyo Metropolitan Government* (TMG). After the war ended, TMG continued to be a strong metropolitan government although the election of the governor was introduced. There was no significant movement towards decentralizing TMG until the 1974 reforms providing for direct local election of ward mayors. Prior to this, the mayors were appointed by the governor and the wards were entirely subordinate administrative units.[74] The 23 wards (ku), the old City of Tokyo, were considered special urban governments and unique to the Tokyo prefecture. The wards lack many ordinary municipal powers that are exercised by TMG on their behalf. For instance, TMG provides fire protection, water supply, sewers and sanitation services in the 23 wards. With the exception of fire protection, these services are provided by the municipalities in the Tama area.[75]

   The special wards and TMG also have unique financial arrangements. Some revenues normally collected by municipalities—resident tax, fixed asset tax and property tax—are collected by TMG inside the 23 wards and redistributed through a financial adjustment scheme.[76] The total tax collected from these three taxes is divided between TMG and the ward offices. The percentage split is set at 44 percent to the wards ("basic adjustment amount") and the remaining 56 percent for TMG. Each ward calculates its revenue and expenditures needed to provide basic services. Wards with surpluses place the excess in a surplus fund that gets added to the general allocation fund. Wards with deficits receive an additional subsidy to cover the shortage. During the bubble economy, several wards had surpluses that went to the fund. For example, in 1990 Shibuya contributed U1,981 million to the adjustment fund.[77] This financial adjustment equalizes resources and ensures a uniform level of services across the 23 wards making up central Tokyo.

Reforms to Decentralize TMG

The special ward system (Tokubetsu-ku) in Tokyo is unique in Japan. The relationship between TMG and the wards differs from that of other prefectures and ordinance-designated cities.[78] The division of responsibilities and financing of services between TMG and the wards also differs from that of TMG and local governments in the Tama district. TMG provides some services directly in the wards that are elsewhere considered municipal services. The special wards are administrative subdivisions of TMG. In

1974, the wards' powers were enhanced by 1) providing for direct election of ward mayors; 2) transferring and health services and building control to the ward offices; and, 3) abolishing the system for posting of TMG officials to ward offices.[79] The wards recovered their personnel management authority and set up an independent Personnel Commission. However, the wards still had rather limited autonomy.

In 1990, TMG and the ward offices asked the central government for reorganization of the metropolitan governing system. This resulted in the 22nd Local System Research Council report proposing "reform [that] will expand the scope of business to be conducted by the special wards and will make them more independent vis-à-vis" TMG. With this charge, TMG and the ward offices set up a Metropolis-Ward Council to study and recommend changes in the way the metropolis was governed. In 1992 an interim report was issued; in 1994 a draft final report was released, submitted to the Ministry of Home Affairs and endorsed. In 1998, the wards and TMG accepted the final report and it was approved by the cabinet and passed by the Diet.

The report called for transferring some services and revenues to the wards and greater self-governance for the wards beginning in the year 2000. When implemented, the wards will become fully autonomous municipalities and no longer have a special status as wards. However, the wards will have to act as other municipalities and be more self-reliant. TMG will no longer carry out ordinary municipal services and it will become more focused on regional problems.[80] A further report is due on changing the financing system between TMG and the ward offices.

According to the Tokyo Metropolis-Ward Council, two factors were propelling reform. First, national policy was promoting decentralization and local autonomy. However, efforts to decentralize TMG governance predate national reforms. More importantly, according to the report, there was a need for greater ward autonomy to provide better quality services; to lead to more balanced development in Tokyo; and, to provide greater self-governance. Existing arrangements between TMG and the ward offices contributed to confusion about which government was responsible for services, a lack of accountability to citizens, weak local (ward) governments and a lack of focus by TMG on regional problems, policies and administration. The remedy was to transfer basic municipal services provided by TMG to the ward offices to give wards greater fiscal control, and

to reorient TMG as a regional government in a more sharply delineated two-tier metropolitan system of government. The movement towards greater ward autonomy was accelerated by the 1974 reform to directly elect ward mayors.[81]

Many issues need to be addressed by the ward offices, TMG and the central government to implement the reforms including revision of the Local Autonomy Law, the basic act setting up the framework of local governance nationally. Agreement on the general principles of reform occurred in 1990. Since then, TMG and the wards have sought to identify and recommend specific changes in policies and law and gain consensus among affected parties. Services to be transferred from TMG to the ward offices include waste management, city planning, education (offering right for assignment of teachers to schools),[82] and aspects of septic tank regulation and sewerage services. The aim of the reform is to convert the wards into "basic local public bodies."

Effects of Reform—a Decentralized Tokyo?

Theoretically, these reforms should result in the wards becoming fully autonomous municipalities. However, there is doubt that the proposed reforms will be fully implemented and if implemented that they will have the desired effects. One question is whether the wards have the institutional/technical capacity to perform all transferred services. For example, there has been little examination of cost or changes in staffing levels needed in the wards to provide expanded city planning.[83] There is some doubt that the wards have sufficient staff, financial resources and expertise to take over all aspects of city planning and other services amidst pressure to reduce employment.[84] (Under central government economy measures, local governments are to make personnel reductions and each ward has been allocated a share by TMG).

A second concern is whether sufficient financial resources will be transferred to the wards to pay for the services. Devolution of authority must be accompanied by fiscal reform. The present financing system for governing the Metropolis (TMG and the wards) places the wards in a subordinate position vis-à-vis TMG. TMG is currently facing a fiscal crisis because of the economic recession and the land bubble burst. TMG revenues are declining while committed expenditures are rising. TMG has committed to continue to transfer the basic adjustment amount (current-

ly 44 percent of three municipal taxes collected by TMG) and the actual costs that are currently expended to provide transferred services. This would require the basic adjustment amount to increase to perhaps 50 percent to cover the approximately Y200 billion additional service costs associated with providing transferred services.[85]

TMG is in a position to dictate the amount of money transferred and it is unknown if it will agree to transfer 50 percent of the basic adjustment amount. Thus, the wards could face added responsibilities without needed revenues and without new tax sources to hire additional staff or fund service costs. Final recommendations by the Metropolis–Ward Council to reform the fiscal system will not occur until after services are transferred in the year 2000. The fear is that administrative reforms emanating from the central government and TMG (e.g., privatization and deregulation) may lead to real cuts in services at the ward level. Increased municipal autonomy on paper may not be matched by real authority. In fact, wards could be in worse shape as they will be held accountable for municipal services that they cannot reasonably provide without commensurate cuts in other service areas.[86] Moreover, the current economic climate in Japan may overshadow decentralization policies.

In addition, the wards would be responsible for determining any reallocation of tax money among themselves. As Table 4 reveals, the wards are heavily dependent upon the metropolis financial adjustment system that accounts for about one-fourth of all ward revenues. However, there is wide variation among the wards in how much of their local revenues are derived from this source, ranging from as little as 1 or 2 percent to as much as 40 percent. This could lead to intense municipal conflict with the 23 wards set against each other. Some poorer wards might have insufficient money to provide basic services. This could be a great unanticipated consequence of metropolitan government reform. Intergovernmental relations in Japan are based on a consensual political culture. It is likely that TMG would have to mediate disputes among the wards in how to distribute these revenues to ensure equity and harmony in relations.[87]

A third concern is whether the actual service transfers will occur. For example, in Japan, waste collection and disposal are considered municipal services. However, TMG currently provides this service in the 23 wards.[88] Under reforms, the ward offices would take over this service. Each ward would be required to provide a waste disposal site. At present, a number of

Table 4
Allocation from Metropolis–23 ku Financial Adjustment System
(in thousands)

Ward	Financial Adjustment Allocation, 1989–90	Percent of Ward Revenues, 1989–90	Financial Adjustment Allocation, 1995–96	Percent of Ward Revenues, 1995–96
Chiyoda-ku	7,208,213	16.9	5,821,113	12.8
Chuo-ku	18,963,600	34.0	20,696,231	28.8
Minato-ku	601,345	0.8	2,167,519	2.3
Shinjuku-ku	22,674,077	18.8	20,678,855	19.7
Bunkyo-ku	12,571,278	20.7	16,681,666	20.2
Taito-ku	27,809,639	36.0	22,598,007	25.8
Sumida-ku	30,274,763	39.2	37,727,811	36.2
Koto-ku	39,556,019	41.6	41,990,978	34.6
Shinagawa-ku	28,378,427	29.5	28,936,756	26.6
Megro-ku	12,085,908	16.3	11,830,264	14.7
Ota-ku	35,403,368	23.0	40,111,124	19.2
Setagaya-ku	21,991,382	11.2	19,198,016	8.5
Shibuya-ku	1,043,185	1.6	4,092,712	5.3
Nakano-ku	24,821,361	31.2	25,346,791	26.1
Suginami-ku	21,391,544	17.4	22,335,191	16.1
Toshima-ku	35,999,739	40.6	23,441,643	26.2
Kita-ku	49,307,323	43.2	45,879,855	38.5
Arakawa-ku	29,392,932	45.1	34,043,474	39.2
Itabashi-ku	42,875,894	31.7	43,555,889	29.9
Nerima-ku	38,085,886	22.2	46,208,179	26.0
Adachi-ku	67,587,090	39.2	71,911,524	33.5
Katsushika-ku	48,027,299	40.2	51,026,666	35.6
Edogowa-ku	53,163,214	37.1	64,670,391	37.5
TOTAL	669,213,486	27.8	697,950,655	25.1

Source: Training School of Ward Offices, *Handbook of Ward Office* (Tokyo: Training School of Ward Offices, 1992; 1998).

wards including Shinjuku ward do not have such facilities. TMG would continue to provide technical and financial assistance for building facilities, but the wards would be responsible for maintenance and operations. This will impose a significant burden on the wards, but it is generally accepted that autonomous municipalities must provide all services normally considered municipal services.[89] However, the sanitation union fears losing bargaining power and facing lower wages and reduced benefits. Rather than one contract with TMG, there would be 23 contracts with individual wards and some wards may move towards privatization in order to save money.[90] Therefore, the sanitation union seeks to delay or prevent this service transfer.

Creating Regional Governance for Tokyo?

Aside from bolstering ward autonomy, the reforms are intended to improve regional decisionmaking by reducing TMG involvement in municipal services and refocusing its attention on regional problems and issues. The present reform plan does not go far enough to turn Tokyo into a truly regional government.[91] The existing framework for regional cooperation rests on an annual regional summit (the Metropolitan Summit) between the governors of Tokyo and the neighboring three prefects. The secretariat of this summit rotates among the governors and each may strike items from the agenda that they do not wish considered. The regional summit has not tackled any significant issue and has not proven an effective forum for regional decisionmaking.[92]

At this time, there is no concrete study or proposal for creating new regional institutions, adjusting TMG and ward boundaries or eliminating the distinction between local governments in Tama and in the 23 ku area. However, there is some recognition of the need for improved regional decisionmaking and an expectation that it will be addressed in a future study.[93]

There is one issue on the horizon that could potentially galvanize cooperation at least among the four prefects with the summit serving as a base for cooperation. That is the proposed relocation of the capital away from Tokyo. The Diet has passed legislation establishing a process for designating a new capital location. Several sites have been identified and are presently being considered. Whether the national government really intends to go forward with this proposal is unclear. TMG has argued

strongly against this plan. The relocation is proposed as a solution to the over-concentration in Tokyo. The high degree of concentration makes the nation very vulnerable to a devastating earthquake that could wipe out both the economic and political center of the nation. Additionally, major infrastructure and development projects have been a cornerstone of Japan's post-war economy. Relocation would entail major new construction projects—a whole new city. Thus relocation of the capital would be the ultimate *growth machine strategy*.[94] However, in the current economic climate, relocation is unlikely. Nevertheless, TMG and the neighboring three prefects are threatened by the relocation proposal, especially since the government has continued to pursue the process of relocation set up by the Diet.[95]

Regional cooperation is also impeded by the highly centralized system of local government in Japan. In the area of transportation, for example, TMG does not have sole control of Tokyo's transit, which is also provided by private companies and Japan Rail (a privatized national corporation). The central ministries such as the Ministry of Construction and the Ministry of Transportation have regional bureaus that guide and control local policy. These ministries do not coordinate their work and undermine the coherence of TMG policies as TMG (and prefects in general) organize functionally to match central government organization. To the extent that regional planning occurs, it is under the direction of the central government. Regional planning and decisionmaking is unlikely to occur in TMG or the Summit unless the central government follows through on administrative reforms and decentralization plans thereby reducing the direction from above.[96]

More than 30 years have passed since William Robson's[97] major study of TMG. Many of his major criticisms are still valid today, including that there is 1) too much variation in the size of wards; 2) a lack of correspondence between TMG's boundaries and the boundaries of the Tokyo city-region; 3) little rationale for a different system of local government in Tama than in the central wards; and, 4) insufficient financial resources provided to TMG from the central government.[98] His solution was for greater centralization under a much enlarged first-tier metropolitan government. Peter Self[99] characterizes Robson as a "democratic rationalist" who greatly shaped scholarly discourse on metropolitan government in general but whose ideas "failed in both London and Tokyo."[100]

Self is sympathetic to Robson's call for a strong regional government. He even proposes a directly elected regional government for the larger eight prefect capital region.[101] This government should have powers over regional planning, new towns, transportation and preservation of green space. However, this would require setting up a government for a huge population. There are over 20 million people just in the three neighboring prefects. Since it is unlikely that the central government would ever agree to such a proposal, Self suggests a "hybrid form of regional government and planning" similar to the Region d'Ile de France that links central government and Paris officials in planning decisions.[102] Given the remoteness of such a regional government, Self proposes a newly reconstituted City of Tokyo government made up of the 23 wards alongside the creation of such a vast regional government. Otherwise, he believes it would be unlikely that citizens would have sufficient "civic consciousness and political interest."[103]

Summary and Conclusion

At a time when other metropolitan governments have been weakened or dismantled, Tokyo Metropolitan Government (TMG) exemplifies the model of integrated metropolitan government. Yet, TMG is at a crossroads. The 23 special wards (ku), administrative units of TMG, are demanding greater local autonomy. The central government seeks to devolve functions while retaining authority. Efforts to bring about balanced growth and limit overconcentration are meeting with limited success while the metropolis continues to expand outwards. At the millennium, Tokyo finds itself constrained by an economic slump and the associated fiscal strain.

Tokyo and Japan are not alone in rethinking the intergovernmental system and reforming local government structure. Although TMG operates in a unitary state and with a distinctive political culture, the countervailing pressures towards greater centralization and decentralization are not dissimilar to those found in other parts of the world.[104] Continued urban expansion has not been followed by extension of city boundaries. TMG is too big to be a city government, yet much of its attention is directed at providing municipal services inside the 23 ku area. If the 23 wards get too much direction, the local governments in the Tama area (in Western sub-

urbs of Tokyo and under TMG's authority) are probably neglected, forced to provide services expected of municipalities (which TMG provides inside the 23 ku area), but ineligible for the fiscal equalization scheme that ensures financial stability inside the 23 ku area. In an era of fiscal restraint, TMG grants are inadequate for many of the Tama area municipalities. At the same time, TMG is too small to govern the true metropolitan region which at least includes the three neighboring prefects and some argue is really coterminous with the eight prefect capital region.

The need to modernize the metropolitan government system, now in place for more than 50 years, led to nearly a decade of study and negotiations among the wards, TMG, the Ministry of Home Affairs, Cabinet and Diet. In 1998, the *Final Report on the Tokyo Ward System Reform* was accepted by all parties and passed by the Diet. Reforms to be implemented under this report include transferring municipal services such as waste management and city planning, now provided by TMG, to the ward offices in the year 2000. There is some doubt if the reforms will be implemented in their entirety. Questions have been raised about 1) the institutional/technical capacity of the wards to receive these services; 2) whether devolution of authority will be accompanied by fiscal reform; TMG will have to significantly increase the amount of money transferred to wards that it now collects. However, decisions over financing have been deferred until after the service transfers and TMG will be in a position to dictate the transfer amount; 3) the likelihood of transferring all municipal services. Some wards may not be able to secure sites for waste disposal and the sanitation union may have sufficient clout to block the transfer of this service, which is expected to lead to extensive privatization and undermine the union's strength.

The reforms can be criticized on four counts: 1) there is serious doubt that the wards will be transformed into fully autonomous municipalities, especially since they will remain financially dependent upon TMG. There is the fear that the wards may be in worse shape since expectations will be higher but resource constraints might necessitate reducing services; 2) TMG boundaries no longer adequately encompass the urban region. The population of Tokyo, which is governed by TMG, is only about a third of the population of the four prefect region. There is an expectation that the reforms will improve regional decisionmaking by having TMG focus on its first-tier regional responsibilities, having shed the distraction of provid-

ing second–tier municipal (ward) services. However, the need for more effective regional planning and decisionmaking across prefect boundaries is deferred for future study; 3) an unanticipated consequence of reform may be greater conflict among and between wards, TMG and the central government over distribution of revenues and policy priorities. While interlocal government conflict is decried in the United States for example, it is consistent with American political culture, the federal system and constitutional design. This is not the case in Japan with its more consensual political culture and unitary system; and, 4) the reforms do not eliminate the distinction between Tama area local governments and wards within TMG.

Metropolitan reformers such as Charles Beard[105] and William Robson[106] have long argued that city government should link the city and suburbs under one over–arching metropolitan government.[107] A more recent concern has been that this leads to large, inefficient and unresponsive bureaucracies. The public choice school has been effective in highlighting the problems of centralization. However, decentralization based upon the public choice market philosophy leads not to improved self-governance but a dereliction of governance. Peter Self[108] brings a more pragmatic approach to metropolitan governance recognizing the need for regional government (i.e., centralization) but questions the need for eliminating the core central city that promotes civic consciousness. Murray Bookchin[109] offers a more decentralist perspective, seeing municipal confederation as the way to meet the need for regional cooperation while promoting a more radical decentralization.

What is needed is greater consideration of how to promote greater coordination in the larger metropolitan region while at the same time attaining more effective local government that is responsive to citizens. In this regard, the *new regionalism* movement in the United States offers some guidance that may have utility in other nations.[110] In the United States— given the difficulty of establishing metropolitan governments, doubts about the effectiveness of metropolitan governments where they exist and the reality of a very fragmented and decentralized system of local government—greater attention has been given by scholars and practitioners to the problems of how to promote local government cooperation in the divided metropolis. Rather than pursue a single model, individual locales seek to develop a locally relevant strategy of governance that responds to

the unique local government system, problems, history and culture of the area. Solutions range from selective joint service provision to tax sharing to more elaborate "compacts" or metropolitan councils. The goal is to better structure intergovernmental relations to reduce competition among cities (i.e., tax sharing) and to institutionalize cooperation. In the long term, through incremental steps, the hope is that metropolitan government will result not from unification but through federation.[111] Thus a "new localism" goes hand in hand with the "new regionalism."[112]

Applying these perspectives to Tokyo, strengthening the wards should promote greater decentralization but the lack of financial reform undermines this effort. The classic writings on these subjects by Beard and Robson are still useful for understanding urban processes and metropolitan governance in Tokyo and other metropolitan cities. And some of their specific prescriptions for Tokyo are still valid today (e.g., Robson on ward sizes, need for financial reform and elimination of ward/Tama area local governments). However, their general philosophical frameworks promoting integrated metropolitan governments for governing city-regions no longer fits the scale of urban society in the 21st century. Today, metropolitan governments fail because of the inability to politically establish (or enlarge) them. Further, the boundaries of metropolitan governments are too large in spatial area and population to efficiently govern. This leads to the need to consider alternative ways to promote horizontal and vertical coordination among and between governments and to enhance mechanisms for accountability to citizens. Here, the ideas of Self and Bookchin are probably more relevant to designing a metropolitan system of governance in Tokyo and around the world.

NOTES

1. Approximately 25 officials in local government and central ministries were interviewed over 9 months in 1997-98 and on a return visit in October 1999.
2. P. P. Karan, "The City in Japan," in *The Japanese City,* P. P. Karan and Kristin Stapleton, eds. (Lexington: University of Kentucky Press, 1997).
3. Ibid., 15-20.
4. Ibid.
5. Ibid., 21.
6. Ibid.

7. Ibid., 22.

8. Junjiro Takahashi and Noriyuki Sugiura, "The Japanese Urban System and the Growing Centrality of Tokyo in the Global Economy," in *Emerging World Cities in Pacific Asia*, Fu-chen Lo and Yeung Yue-man, eds. (Tokyo: United Nations University Press, 1996), 101.

9. Karan, "The City in Japan," 24-25.

10. Ibid., 25.

11. Yasuo Miyakawa, "Japan: Towards a World Megalopolis and Metamorphosis of International Relation," *Ekiatics* 340, No. 341 (1990), 48-75.

12. Karan, "The City in Japan."

13. Ibid., 35-36.

14. Saskia Sassen, *The Global City: New York, London, Tokyo* (Princeton: Princeton University Press, 1991).

15. Akira Nakamura, "The 'Tokyo Problem' and the Development of Urban Issues in Japan," in *Globalization and Centralization*, Jong S. Jun and Deil S. Wright, eds. (Washington, DC: Georgetown University Press, 1996); Richard Child Hill and Kuniko Fujita, "Osaka's Tokyo Problem," *International Journal of Urban and Regional Research,* 1995, 181-192.

16. Takahashi and Sugira, "The Japanese Urban System," 110.

17. Ibid., 104.

18. Theodore J. Gilman, "Same Old, Same Old? Center-Local Relations in Urban Redevelopment," in *Local Voices, National Issues: The Impact of Local Initiative in Japanese Policy-Making*, Sheila A. Smith, ed., Michigan Monograph Series in Japanese Studies No. 31 (Ann Arbor: Center for Japanese Studies, University of Michigan, 1997).

19. It should be noted that Tokyo Metropolitan Government is the result of a consolidation of the City of Tokyo and the Tokyo Prefecture (discussed later).

20. Yousuke Isozaki, ed., *The Local Administration in Japan* (Tokyo: Local Autonomy College, 1997).

21. Steven R. Reed, *Japanese Prefectures and Policymaking* (Pittsburgh: University of Pittsburgh Press, 1986).

22. Ibid., 23.

23. Kitamura, 1980, 129. One estimate of delegated functions to municipalities was 30 to 75 percent (Reed, *Japanese Prefectures*, 26).

24. Reed, *Japanese Prefectures*, 26.

25. In 30 of the 47 prefects, MHA officials held the top finance post in 1975 (Reed, *Japanese Prefectures*, 34).

26. Nobuo Sasaki, "A Study of the Political Leadership of Tokyo Metropolitan Governors: In Search of the Ideal of Decentralization in Japan," *International Review of Administrative Sciences* 64 (1998), 247-260.

27. Junshichiro Yonehara, "Financial Relations Between National and Local Governments," in *Japan's Public Sector: How the Government is Financed,* Tokue Shibata, ed. (Tokyo: University of Tokyo Press, 1993).

28. Isozaki, 1997, 484.

29. Sasaki, 1998, 248.

30. Kurt Steiner, *Local Government in Japan* (Stanford, CA: Stanford University Press, 1965); Kimihiko Kitamura, "Local Government in Japan," in *Local Democracies: a Study in Comparative Local Government,* Margaret Bowman and William Hampton, eds., 1983; Terry E. MacDougall, "Democracy and Local Government in Postwar Japan," in *Democracy in Japan,* T. Ishida and E. S. Krauss, eds. (Pittsburgh, PA: University of Pittsburgh Press, 1989).

31. MacDougall, 1989, 141–142.

32. Ibid., 142–143.

33. Ibid., 147.

34. Ibid., 148.

35. Ibid.

36. Ibid.

37. Michio Muramatsu, *Local Power in the Japanese State* (Berkeley: University of California Press, 1997).

38. Reed, *Japanese Prefectures.*

39. Sheila A. Smith, ed., *Local Voices, National Issues: The Impact of Local Initiative in Japanese Policy-Making*, Michigan Monograph Series in Japanese Studies No. 31. (Ann Arbor: Center for Japanese Studies, University of Michigan, 2000).

40. Shinoda Tomohito, *Leading Japan: The Role of the Prime Minister* (Westport, CT: Praeger, 2000).

41. Ibid., 127–129. The First Rincho was in 1962-64. The difference between the First Rincho and the Second was the existence of a crisis.

42. Tomohito, 130.

43. Ibid., 132–134.

44. Ibid., 134.

45. Ibid., 135–136.

46. Ibid., 142.

47. Ibid.

48. Ibid., 183.

49. Ibid., 184–185.

50. Ibid., 197.

51. Ibid., 197.

52. Ibid., 198.

53. Ibid., 214–215.

54. Hiromi Muto, "Strategies of Administrative Reform in Japan," in *Future Challenges of Local Autonomy in Japan, Korea, and the United State,* Fukashi Horie and Masaru Nishio, eds. (Tokyo: National Institute for Research Advancement, 1997).

55. Jong S. Jun and Hiromi Muto, "The Politics of Administrative Reform in Japan: More Strategies, Less Progress," *International Review of Administrative Sciences* 64 (1998), 195–202.

56. Council of Local Authorities for International Relations, *Local Government in Japan* (Tokyo, 1997), 63-64.

57. Ibid., 64.

58. Ibid., 65–66.

59. Interview by author.

60. Fukashi Horie, "Intergovernmental Relations in Japan: Historical and Legal Patterns of Power Distribution Between Central and Local Governments," in *Globalization and Decentralization: Institutional Contexts, Policy Issues, and Intergovernmental Relations in Japan and the United States,* Jong S. Jun and Deil S. Wright, eds. (Washington, DC: Georgetown University Press, 1996), 62.

61. Naohiko Jinno, "Fiscal Reform and a Strategy for Enhancing Local Government Revenues," in *Future Challenges of Local Autonomy in Japan, Korea, and the United States,* Fukashi Horie and Masaru Nishio, eds. (Tokyo: National Institute for Research Advancement, 1997).

62. Demetrios Caraley, "Washington Abandons the Cities," *Political Science Quarterly* 10 (1992), 1–30.

63. Jinno, "Fiscal Reform," 211–212.

64. Akira Nakamura, "Administrative Reform Japanese Style-Decentralization of Central Power: A Cross National Comparison," in *Future Challenges of Local Autonomy in Japan, Korea, and the United States,* Fukashi Horie and Masaru Nishio, eds. (Tokyo: National Institute for Research Advancement, 1997).

65. Ibid., 399.

66. L. J. Sharpe, ed., *The Government of World Cities: The Future of the Metro Model* (New York: John Wiley and Sons, 1995).

67. Between 1982 and 1992, office floor space went from 2219 ha to 3195 ha in the central downtown wards (H. Togo, "The Metropolitan Strategies of Tokyo: Toward the Restoration of Balanced Growth," in Sharpe, *The Government of World Cities*), 181.

68. Togo, "The Metropolitan Strategies of Tokyo," 184–201.

69. About 32,000 persons live on the islands. Tokyo Metropolitan Government, *Tokyo: Services for Today, Challenges for Tomorrow* (Tokyo: Liaison and Protocol Section, International Affairs Division, Bureau of Citizens and Cultural Affairs, 1997), 7.

70. Ibid., 11–12.

71. *The Daily Yomiuri*, March 30, 1998, 3.

72. TMG, Tokyo: *Services for Today*, 16–18.

73. The prefecture is comparable to a county government in the United States. Given Tokyo's primacy, the prefect takes on added importance as the capital city and the center of finance, economy, and culture. However, it should be remembered that Japan is a unitary state and that there are no states or provinces.

74. T. Shibata, "Financing the Tokyo Metropolis," in *Japan's Public Sector: How the Government is Financed,* T. Shibata, ed. (Tokyo: University of Tokyo Press, 1993).

75. Ibid.; Togo, "The Metropolitan Strategies of Tokyo"; TMG, *Tokyo: Services for Today*.

76. These three taxes account for about 40 percent of TMG's own source of revenues (Shibata, "Financing the Tokyo Metropolis," 185). This has greatly bolstered TMG's revenues and made it much less dependent upon the central government. Prefectures in Japan obtain about 40 percent of their revenues from prefecture taxes, whereas TMG collects about 78 percent from its own taxes (including the municipal taxes in the 23 wards) (Shibata, "Financing the Tokyo Metropolis," 185). TMG's revenues are also higher than other prefects because of the concentration of corporate offices and professional services in Tokyo.

77. TMG, *Tokyo: Services for Today*, 31; Shibata, "Financing the Tokyo Metropolis."

78. In Japan, there are two distinct types of urban government systems, each providing a different relationship between the prefecture and the municipalities. TMG and the special wards (To-seido) have a unique arrangement found only in the capital city. The second case is that found in the 12 Designated Cities, cities with more than 500,000 persons, and their home prefectures (Osaka, Kyoto, Nagoya, Yokohama, Kobe, Kitakyushu, Sapporo, Kawasaki, Fukuoka, Hiroshima, Sendai, and Chiba) (Council of Local Authorities for International Relations, *Local Government in Japan*, 44).

79. TMG, *Tokyo: Services for Today*, 30.

80. This information is based upon a translation of sections of the Metropolitan-Ward Council, *Final Report on the Tokyo Ward System Reform* (Draft), September, 1994.

81. Interview by author.

82. At the time of the 1975 reform, the ward regained personnel management rights to select their own officials, except for teachers. The current reforms extended this right to include teachers.

83. Interview by author.

84. An official responsible for planning in a smaller ward estimated that the ward might need an additional 50 to 60 staff members to handle added responsibilities in planning, building control, and design management (interview by author).

85. Interview by author.

86. Interview by author.

87. Interview by author.

88. In the Tama area, the municipalities, towns and villages provide this service.

89. This underscores the role of culture and history in determining the division of service responsibilities among and between different levels of govern-

ment. In the United States, collection of waste is considered a municipal service while disposal is usually thought to be a regional service best provided by a county or larger unit.

90. Interview by author.

91. William A. Robson, *Report on Tokyo Metropolitan Government* (Tokyo: Tokyo Metropolitan Government and Tokyo Institute for Municipal Research, 1967), chap. 3.

92. Interview by author.

93. An official in the Ministry of Home Affairs indicated that a study will likely be undertaken to consider consolidation of special wards in central Tokyo and possible expansion of the 23 wards closest to the Tama area as well as consideration of a better urban government system for ordinance-designated cities.

94. J. Logan and H. Molotch, *Urban Fortunes* (Berkeley: University of California Press, 1987).

95. Interview by author.

96. Interview by author.

97. Robson, *Report on Tokyo Metropolitan Government.*

98. Ibid., chap. 3, 14.

99. Peter Self, "London and Tokyo: Robson's Influence and Recent Developments in Two Great Cities," *The Toshi Mondai* (Municipal Problems [The Journal of the Tokyo Institute for Municipal Research]) 87, No. 12 (Dec. 1996), 3-36 (Japanese edition; original English version provided to author).

100. Ibid., 26.

101. Peter Self's article, "London and Tokyo: Robson's Influence and Recent Developments in Two Great Cities" was written as a tribute to the Professor William Robson and his influence on the development of London and Tokyo and their governance systems.

102. Another approach is proposed by Professor Masamichi Royama, *The Papers on Studies in Public Administration* (Tokyo: Keiso Shobo, 1965), who calls for a "governmental-administrative system" to consolidate and coordinate regional administrative functions in the Tokyo region.

103. Self, "London and Tokyo," 30.

104. L. J. Sharpe, 1995; Jong S. Jun and Deil S. Wright, eds., *Globalization and Decentralization: Institutional Contexts, Policy Issues, and Intergovernmental Relations in Japan and the United States* (Washington, DC: Georgetown University Press, 1996); Jordi Borja and Manuel Castells, *Local and Global: Management of Cities in the Information Age* (London: United Nations Centre for Human Settlement, 1997).

105. Charles Beard, *The Administration and Politics of Tokyo* (New York: Macmillan, 1923).

106. Robson, *Report on Tokyo Metropolitan Government.*

107. Charles Beard and William Robson made extensive study and recommendations for structuring Tokyo Metropolitan Government at the invitation of

Tokyo officials. Charles Beard, a director of the Bureau of Municipal Research (New York City) visited at the invitation of the Institute for Municipal Research in Tokyo in 1922. After the Earthquake in 1923, Beard returned to assist Tokyo officials in rebuilding the city. Many of his recommendations were put into place. William Robson, a prominent British scholar and leading proponent of metropolitan government in London, studied Tokyo Metropolitan Government at the invitation of TMG officials resulting in two reports, one in 1967 and the other in 1969.

108. Peter Self, "London and Tokyo."

109. Murray Bookchin, 1995.

110. H. V. Savitch and Ronald K. Vogel, "The New Regionalism and Its Policy Agenda," *State and Local Government Review*, forthcoming.

111. Altshuler et al., 1999.

112. Parks and Oakerson, forthcoming. The alternative is for coordination to be imposed from higher level government. In the United States, a value preference for local autonomy in the past has reduced this tendency. However, concern over sprawl and the need for effective growth management has led some states to be more pro-active in regional policymaking. States have also shown more willingness to exercise their authority to restructure local government. Georgia, for example, has aggressively promoted city-county consolidation.

DON QUIXOTE AND
THE WELL-MANAGED CITY

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Despite international efforts to provide urban assistance to more than 10,000 cities and towns in the developing world from 1970 to 2000—at a cost of $60 billion or $1 million an hour for every working day, there is little consensus about the meaning of a well-managed city. When professionals are asked to list well-managed cities, they usually start with Curitiba, Seattle, Indianapolis, Barcelona, or Singapore. Then the list stops. Answers to the normative question of what constitutes urban performance tend to be ignored in the heady race towards the identification of new city development strategies, investment programs, and development projects.

When I recently asked a class of graduate students at NYU for examples of well-managed cities, the first answer was "Disney World." It was a surprising but perhaps astute reply. Are the theme parks the only environments in which the multiple concerns for security, environment, health, infrastructure maintenance, and job creation have been adequately fulfilled? Why is there such reluctance to identify good performance? Does the much-contested case of reduced crime in New York suggest the real difficulties in distinguishing cause and effect at the local level?

I believe that these questions deserve much more attention. If recent reports, such as the *Urban Future 21* Report co-authored by Sir Peter Hall for the World Commission on the Urban Future,[1] or the United Nations' urban demographic projections, are correct, the developing world alone will be adding another 2 billion people to their cities and towns by 2025. This flood of humanity is equivalent to an additional Germany each year, or Los Angeles or Buenos Aires each month, or Hanoi or Pittsburgh each week. This is equivalent to completing more than 50 houses for families of 5 persons per minute for the next 25 years. Surely, urban specialists must have some normative notions of what constitutes good performance and acceptable outcomes for management.

This question goes far beyond the recent analytic efforts to conceptualize and describe "urban governance" in a comparative framework. While work on governance is helpful in acknowledging the multiplicity of actors and institutional forms operating within the city, I believe that it is insufficiently normative in specifying material and institutional outcomes affecting people's lives. Abstract treatises on governance need to be complemented by more down-to-earth notions of what consti-

tutes improvement, how is it measured, and what processes are needed to sustain it. The recognition of what needs to be done is a first step towards developing policy and incentive frameworks to orient behavior in those directions.

A critical part of this process is understanding what actually occurred in the field as compared to institutionally-driven characterizations which tend to be dominated by various forms of institutional thinking. Here I would agree very much with the observations of Professor Judith Tendler at MIT in her provocative book, *Good Government in the Tropics,* in which she notes:

1. "the mainstream donor community's advice about public-sector reform arises from a literature that looked primarily at *poor* performance"
2. that advice "has focused too much on recommending that developing countries import ideas and practices from the already industrialized countries or from some of the more recently industrialized countries, particularly those of East Asia"
3. "the development literature likes to label whole countries (or groups of them) as good or bad performers
4. "the mainstream development community often filters what it sees through the lens of a strong belief in the superiority of the market mechanism for solving many problems of government"
5. "today's views on the roots of poor performance in developing countries simply ignore and even contradict an impressive body of evidence on the causes of improved performance in large organizations in industrialized countries"
6. "today's views on reforming the public sector place excessive faith in the actions of the "user" or "client" of public services….the development community now views consultations with the and pressures from the client—the citizen, the villager, the grass roots—as key to fixing government."[2]

These tendencies have interfered with serious evaluation of urban institutional experiences in many cases. While there are notable exceptions, for example studies of Porto Alegre or Barcelona, there has been a serious gap in the evaluation of urban institutions. There are, for example, few studies such as the evaluation of the Aga Khan Rural Support Network, which demonstrated that, in contrast to most rural development programs which start with increasing agricultural production before building institutions, the AKRSN began with strengthening institutions before focusing on production. The result was more sustained production over time.

In the urban field, this is very serious because most of the evaluations of urban programs in the developing world show that while it has

been possible to design and build low-cost, affordable physical solutions to urban problems, these efforts have failed, with few exceptions, to establish sustainable institutional bases for the larger-scale provision of needed services. These findings are not new; in some cases they go back almost 20 years.[3] Despite continuing studies of institutional development, it is surprising how little progress has been made on these questions.

In contrast to this field, I believe the work on housing indicators started by the late Stephen Mayo and Solly Angel, recently published by Solly Angel,[4] has made real progress on addressing the question of performance. By tying local performance to both macro-development and local indicators, Mayo and Angel were able to explain how some countries were to perform at levels above or below what the macro-variables would suggest. Their insistence on looking at both the supply and demand sides also demonstrated that factors from both sides of the equation could have powerful effects on overall outcomes. It is only by developing a set of analytic and predictive models of performance can we either celebrate or be disappointed by the results.

The other critical dimension of this problem is what might be called "moving the goal posts." The history of development assistance from 1970 to 2000 is one of broadening and deepening agendas. In the urban sector, we have moved from entering the city through what might be called "the house and the bathroom" in the 1970s, to discovering municipal government in the 1980s, to being overcome by the "fatal attraction" of the market in the 1990s, with added ingredients of urban environment, participation, and a touch of productivity and competitiveness all the way. While alleviating urban poverty was intended to be the motivating force behind these efforts, this concern became more implicit than explicit at various moments of enthusiasm with the discovery of these new "conceptual toys."

These shifts make it difficult to undertake longitudinal studies of institutional performance and behavior. Even within the same country, for example Brazil, there have been both the "highs" of positive experience (Curitiba or Porto Alegre) and the "lows" of institutional development in Recife or the disappearing act of the Housing Bank of Brazil. We must therefore make some effort to assure some historical integrity as well to our evaluations if we are to avoid finding ourselves in an unforgiving quicksand of constantly changing contexts and evaluation criteria.

In order to suggest some directions towards defining the well-managed city, I would argue that, regardless of the institutional forms, whether public or private sector, whether participatory or not, **a well-managed city is one which is able to sustain processes by which the material and cultural needs of the population are met through the production and provision of shelter, infrastructure, environmental, social,**

and cultural services. This definition assumes that sustainable process-es reflect economic and financial balances affecting individual and societal consumption which are affordable to households and the soci-ety at large. Notions of "transparency," often cited in discussions of urban governance, mean little if "transparent" decision processes do not result in any material improvement in the well-being of urban resi-dents. I would therefore argue for a set of physical performance indica-tors for urban management. The "what" of the improvement, in rela-tion to the scale and features of demand, is probably more important than the "how."

Notes

1. Sir Peter Hall and Ulrich Pfeiffer, *Urban Future 21: A Global Agenda for Twenty-First Century Cities* (London: E & FN Spon, 2000).
2. Judith Tendler, *Good Government in the Tropics* (Baltimore: The Johns Hopkins University Press, 1997).
3. See for example Michael A. Cohen, "The Challenge of Replicability: Towards a New Paradigm for Urban Shelter in Developing Countries," *Regional Development Dialogue,* Vol. 4, No.1 (Spring 1983), 90-104, or Michael A. Cohen, *Learning by Doing: World Bank Lending for Urban Development,* 1972-1982 (Washington: The World Bank, 1983).
4. Shlomo Angel, *Housing Policy Matters: A Global Analysis* (New York: Oxford University Press, 2000).

The Principal Urban Struggles of the Third Millennium

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The City as a Machine

A useful way to analyze how the contemporary city works, how the properties of its spaces are defined, and how its inhabitants' future is decided, is that of the "growth machine" proposed in 1976 by Harvey Molotch.[1] Even though some of his observations were made more than 20 years ago, and with reference to U.S. cities, the framework he provides continues to be valid and helpful for better understanding certain processes at work in cities in developing countries today.

Molotch argues that land is "the basic stuff of place" and, at the same time, that it is a market commodity providing wealth and power. Thus, "some very important people" have a keen interest in it. Growth is also the political and economic essence of any city or locality, and as such, it becomes a key issue for the local elite, on which (presumably) they need to reach agreements. How this growth (which triggers a chain of events) occurs is a fundamental issue for those concerned with their own locality, and who have the means to transform their concern into political power. For this reason, he argues, "the city is, for those who count, a growth machine."[2]

Eleven years later, John Logan and Harvey Molotch[3] further developed this concept of the city as a growth machine, examining which people and organizations have an interest in which places, and how these interests affect "place." They postulate that for some, urban land has an "exchange value," while for others it has a "use value." The state intervenes at various levels in this distribution of use values and exchange values. But, in contrast with the use value rhetoric that usually marks government discourse, the policies

implemented tend to foster growth and drive up rents, rarely boosting use values.[4] The local entrepreneurs, for their part, see the land for its potential exchange value, so they constantly endeavor to increase the financial value of their zone, attracting investment without taking into account the possible impact on urban residents. For city dwellers, this same land has a use value that is directly related to their quality of life, as will be seen below. Indeed, this dynamic is often the predominant trend of urban growth.

The impetus to drive exchange values up is such that the different sectors of a given city compete to attract investment. Cities are organized like businesses, geared towards increasing the aggregate levels of rent by intensifying land use. It is by this dynamic that a city becomes a "growth machine." This results in a "growth ethic" that permeates all aspects of local life, including the political system, the economic development agenda, and even the cultural organizations. Even though growth is generally presented as something positive for all residents, in reality the advantages and disadvantages of growth are distributed very unevenly.[5]

Analyzing the current Chilean situation, and specifically the situation in Santiago, one notes that a small yet very important group of individuals and/or firms runs the real estate market. For them, urban land and its development is a means of generating wealth that in turn gives them influence in national politics.[6] This is the elite Molotch refers to, and for them, the city operates as a growth machine. As the owners of the entire periphery of Santiago, dating back decades before the city's burgeoning sprawl, it is in the elite's best interest for the city to grow as much as possible in surface area. This explains the strong pressures brought to bear by the real estate and construction companies on the State to extend the urban border of the city indefinitely. Growth in Santiago is also occurring through the renewal of the more centrally-located areas, where population density and total marketable square footage are both on the rise, presenting new opportunities to the real estate market. This is the case of the redevelopment of Santiago Poniente, the neighborhood just west of the city center, where crumbling, old seigniorial mansions are giving way to high-rise buildings offering subsidized housing.

How are decisions made in this urban machine?

Murray Edelman[7] argues that there are two types of policy-making. First, there is "symbolic" policy-making, whereby resulting policies refer to

prominent issues, such as public morality, and espouse the type of symbolic reforms often touted by public relations campaigns and reflected in daily headlines.[8] Second, there is "implicit" policy-making, by which the real decisions are made that truly affect people. Implicit policy flows from private negotiations in high-level committees and commissions with the participation of "those who count." This elite circle makes decisions as to the distribution of goods and services among the various groups of society.

> Much less visible to publics, often relegated to back rooms or negotiations within insulated authorities and agencies, this is the politics that determines who, in material terms, gets what, where and how.[9]

City dwellers' quality of life is largely a consequence of the decisions made through this growth machine. In a context of state and economic restructuring, in which the scope of state action is ever more diminished, urban quality of life comes to depend fundamentally on the decisions private investors make regarding a given parcel of land. As private investment focuses on those projects and parcels where the likelihood of profit is greatest, the result is sharp urban segregation, of which Santiago is one of the clearest examples in Latin America. The neighborhoods that concentrate the greatest economic capacity in Santiago are comparable to many upper middle-class and middle-class neighborhoods in the countries of the North. They are expansive residential zones in which green areas and beauty predominate, and which enjoy the modern services and malls that offer all the products of globalization and economic success. At the other extreme are the large expanses of the city where the poorest of the poor live in substandard housing, amidst a lack of green areas, non-existent or abandoned public spaces, limited and poor-quality infrastructure, etc. The private sector also plays a part in developing these areas (most low-cost housing in Chile is built by the private sector), but it is tailored to "what people can pay," and it appears that the poor cannot pay for more than poor quality, minimal dimensions, and ugliness.

In the United States, local governments have discovered that the only way to improve the living conditions of the population is by obtaining financing through the investments they make within their local jurisdiction. To this end, they negotiate with investors, from whom they seek certain offsets to address the direct infrastructure costs associated with their

Table 1

**Differences between Wealthy and Poor Municipalities,
Metropolitan Region of Santiago, 1997.**

*Population, Income and Municipal Expenditures
per capita (in 1998 Chilean pesos)*

Municipalities	Population	Income per capita	Expenditures per capita
Santiago	229,761	250,137	237,549
Providencia	109,324	248,139	226,122
Vitacura	83,510	193,525	187,646
Las Condes	222,886	160,873	158,889
La Granja	146,153	29,482	26,935
Cerro Navia	164,768	30,162	26,177
El Bosque	187,799	26,346	26,045
La Pintana	230,758	28,701	24,242
Promedio RM	—	66,592	63,158

Source: National Statistics Institute, 1997, Alfredo Rodríguez and Lucy Winchester, "Santiago de Chile, Metropolización, globalización, desigualdad: ¿Es posible gobernar la ciudad?" Table 9, paper presented at the seminar Ciudades del Mercosur, Buenos Aires, November 2000.

projects (like water, sanitation, and roads). These demands have expanded in the 1990s to include externalities, for example, what to do about traffic congestion caused by a project not in areas immediately contiguous to it. Of late, local governments have been demanding that investors offset certain social costs, for example, by building day-care centers in office buildings, youth hostels in luxury hotels, or low-cost housing alongside luxury condominiums. Some local governments go so far as to demand job training and/or the creation of new jobs for local residents. Although the current demands are quite low, they are tending to become more intense and widespread as their potential grows in importance for balancing out the endowment and quality of urban services.[10]

This system of demanding offsets from investors is one way to pay the social costs of capital investments, and an important instrument in the effort to control (or shape) growth and balance out living conditions in the community. Although this system,

Table 2

Metropolitan Region of Santiago—Average Income per Municipality (Percentages)

MUNICIPALITY	Socioeconomic Group ABC1	Socioeconomic Group C2C3	Socioeconomic Group D y E
SANTIAGO	3.2	66.3	30.5
PROVIDENCIA	35	62	3
VITACURA	66.5	33.5	0
LAS CONDES	60.5	37	2.5
LA GRANJA	0	45.5	54.5
CERRO NAVIA	0	22	78
EL BOSQUE	0	42.5	57.5
LA PINTANA	0.6	16.5	82.9
SAN RAMON	0	21.5	78.5
PEÑALOLEN	0	27.5	72.5

Source: INE (National Institute for Statistics), 1992.

> ...is a flawed mechanism to compensate for the lack of responsible policies at state and national levels…it is certainly superior to the kind of immoderation that would occur if growth machines maintain their complete hegemony, providing no offsets whatsoever for development damage....[11]

What is happening in Chile, and specifically in Santiago? As illustrated by Table 1, the wealthiest municipalities have the capacity to improve the quality of life of their inhabitants, yet the differences between the wealthiest and the poorest municipalities are abysmal.

The four poorest municipalities increased their revenues by 21% and their spending by 37% from 1992 to 1997, while the four wealthiest municipalities saw revenue gains of 98% from 1992 to 1997.[12] The municipality of Santiago (the original city center) spends almost 10 times more per inhabitant than the poorest municipality, and four times more than the average spending of all the municipalities of the Metropolitan Region combined.

If we observe the distribution of the population by level of income (Table 2), the major differences among the municipalities of Santiago

become all the more evident. Municipalities such as Vitacura, Providencia, and Las Condes have no more than 3% of their population in the lowest income strata, while at the other extreme, eleven municipalities have not a single resident from the upper income strata.

These data show the extreme economic segregation found in Metropolitan Santiago, which in turn suggest that different cities co-exist within Santiago. While a redistributive fund does operate in Chile (the FNDR, Fondo Nacional de Desarrollo Regional), whose objective is to diminish the inequities between municipalities by transferring surpluses from the better-off ones to the poorer ones, inevitably, poor communities still suffer from any number of unmet needs. Thus, the poorest municipal-ities have only low-cost housing, whose inhabitants pay no income taxes, and as the lower-income sectors are exempt from the payment of services, no revenues for services as basic as trash removal.

This makes it very difficult for Chile's poorest municipalities to attract investment that might provide important offsets. It is thus essential to either improve the FNDR so that it can truly serve as a redistributive instrument, or generate other mechanisms (for example, agreements between two or more municipalities) that make it possible to improve the living conditions of the neediest.

THE ACTORS: THE STATE AND THE PRIVATE SECTOR

The main protagonists in the dynamic that gives birth to, and then re-cre-ates, the city are the state, private actors, and citizens. The state attempts to mediate the conflicts that arise between real estate developers and citizens, all the while seeking to carry out its own projects and meet its own devel-opment goals. We will look more closely at the different role each of these actors plays within the urban machine. In this section we will examine the state and the private sector, leaving the analysis of the citizens role for Section 3, which will address the battles citizens are waging in the city.

The State

The Chilean State, like most states in the region, has undergone more than two decades of restructuring, with a steady diminution in the size of the administrative apparatus as its tasks have been increasingly limited to supervising and rule-making for guiding development. Its key objective is

Table 3

The Evolution of the Human Development Index and Per Capita GDP, 1975—1998, CHILE and Latin America (in 1995 dollars)

Chile	1975	1980	1985	1990	1998
HDI	0.702	0.736	0.753	0.780	0.826
GDP	1.842	2.425	2.345	2.987	4.784

America Latina	1975	1980	1985	1990	1998
HDI	—	—	—	—	0.758
GDP	2.200	3.650	4.090	5.040	6.470

*Including the Caribbean Region
Source: United Nations, Human Development Report (1999) Internet Search:
http://www.undp.org/hdro/

economic development, to which it accords a greater priority than to other demands, despite a discourse favorable to redistribution and the environment. It should be recognized, however, that the Chilean State has shown a greater capacity than other developing countries to enforce the rules. Moreover, despite political changes, it has maintained and improved a series of social policies that have resulted in the poorest of the poor generally having a better standard of living than their counterparts in other developing countries.[13] One sign of this is the country's increased ranking in the United Nations' annual Human Development Index, by which Chile has become one of the four Latin American countries with a high level of human development, as reflected in Tables 3 and 4.

In a world open to globalization, wherein cities compete to attract foreign capital, urban development is a key concern for the state, which must create the conditions to make its cities attractive, especially its capital city. Even so, there does not appear to be a consensus or an explicit plan for the model city it wishes to attain, and thus a "fragmentary urban planning" ("*urbanismo fragmentario*")[14] ensues based on megaprojects promoted by the private sector (i.e., large residential developments, commercial and industrial centers, and office complexes). At the same time, the state has focused on producing low-cost housing and basic infrastructure for the poorest

Table 4
Human Development Index, 1990—1999,
Comparison among Latin American Countries

Country and Year	1999	1998	1990
Countries with high levels of development			
Chile	34	38	38
Argentina	39	35	43
Uruguay	40	39	32
Costa Rica	45	48	40
Countries with medium levels of development			
Trinidad and Tobago	46	50	39
Venezuela	48	65	44
Panama	49	59	54
Mexico	50	55	45
Colombia	57	68	61
Cuba	58	56	62
Ecuador	72	91	77
Brazil	79	74	60
Peru	80	80	78
Jamaica	82	83	59
Paraguay	84	81	73
Dominican Republic	88	87	80
El Salvador	107	104	94
Bolivia	112	114	110
Honduras	114	113	100
Guatemala	117	120	103
Nicaragua	121	121	116
Countries with low levels of human development			
Haiti	152	150	125

Source: United Nations, Human Development Report, 1991, 1998, 1999. Internet search: http://www.undp.org/hrdo

sectors as it attempts to generate an environment for the private sector to take an interest in such construction projects.

Nonetheless, one must not forget the importance of the state's role in generating the infrastructure essential for making land accessible and available to the real estate market. In the 1990s, when it was accepted that the state, and therefore its resources, were steadily diminishing, a concessions system emerged as a way to build infrastructure using private capital. The private sector would recover its investment over time by charging for the use of the infrastructure it built. In Chile, this has resulted in the construction of some sections of inter-urban highway and a tunnel, and work is beginning on the construction of a road within Santiago called *Acceso Sur* which would provide quick access to the south of the country. One of the cases analyzed below has to do with the efforts to build the first urban highway by concession, a north coastal highway known as the *Costanera Norte.*

When we speak of "the state" it may seem that we are referring to a monolithic state that always acts in the same direction in shaping the city's development. It is important to understand that this is not so, and in particular, to discuss the workings of the Ministry of Housing and Urban Development, the Ministry of Public Works, and the municipal governments, as these are the institutions closest to the citizens.

In theory, the ministry responsible for urban development in Chile is the Ministry of Housing and Urban Development (MINVU). It is in charge of carrying out and/or approving the Urban Regulatory Plan, which is the main urban planning tool in Chile. Yet its capabilities are seriously limited and its position on urban development is very different from that of other state entities. The MINVU's provision of low-cost housing, its principal task, has had a significant impact on the city. The Ministry's siting of such housing has been guided by market forces since the 1970s creating low-rent, low-quality neighborhoods in a selected periphery of Santiago (preference being given to the south and northwest municipalities of the Metropolitan Region), thereby further segregating the city.[15]

In 1994, more than 30 years after the design of the last regulatory plan for Santiago, MINVU won approval of a new Inter-Municipal Plan. The main objective of the plan was to curb the city's growth in total area, by increasing population density, on average, from 100 inhabitants per hectare to 150 per hectare. This plan has provoked irate reactions from interests such as the private sector and the National Chamber of Construction, and

more recently, the Undersecretary for Housing and Urban Development made public statements on the "flexibility" with which this rule would be applied, treating each major project on a case-by-case basis.[16] This has reinforced the notion of fragmentary urban planning – a city broken into pieces by means of large real estate projects that answer to the logic of the marketplace.

As the institution responsible for producing the country's infrastructure, the Ministry of Public Works (MOP) has the greatest weight today in what is happening in Chilean cities. Since the MOP is responsible for producing large infrastructure works such as airports, highways, primary roads, and bridges, among others, and since its power is directly tied to the size of its budget, the MOP has much more influence and power within the state apparatus than the MINVU. In a context where planning has been undervalued and resisted, large infrastructure works have defined where and how the city grows.[17] The most emblematic case during the last decade in Santiago has been the Américo Vespucio peripheral highway to the airport, completed in the late 1980s. By connecting the previously isolated northern sector of Huechuraba and Conchalí to the eastern sector of the capital, where the wealthier population is situated, a whole new market opened up for real estate expansion. The municipality of Huechuraba went from a low-cost back room to the city (originally the squatter settlements of the 1960s), to being an extension for the *barrio alto* where, behind the modern strip of industries and services that line the highway to the airport, the upper-middle class residential areas of the new century are being built.

State versus Capital

The state, as an essential piece of the urban machine, generally has very complex and even contradictory relationships with the potential investors in the city, who, in addition to being made up of the local elite, in today's global economy may include international financial groups and companies.

In its drive to promote development, the state earmarks a large part of its resources to investment in infrastructure, airports, the siting of large industrial projects, etc. Since these investments are very important in defining the exchange values, or in other words, the rate of return of the land, different interest groups try to influence the state's decisions to ensure that these have a positive impact on the land that belongs to each

of them. The principal state agency involved in this process is the Ministry of Public Works, making it the key interlocutor for the private sector, either through associations such as the National Chamber of Construction, or directly with large multinational corporations interested in investing in Chile.

Concurrently, the private sector sees other state institutions as the main obstacles to carrying out their projects in the city. The Ministry of Housing and Urban Development, for example, sets limits and determines the characteristics of potential growth for the different areas of Santiago through its Regulatory Plan. Other institutions seen as posing obstacles to development are the municipal governments, which define the nature of each municipality in greater detail through the *Plan Regulador Comunal*, or Municipal Regulatory Plan. More importantly, in Chile, municipal governments have the authority to issue building permits for new works through the Municipal Public Works offices. Sometimes the central-level MINVU and the municipal-level authorities don't see eye-to-eye, as the municipal government does everything possible to attract investment to its *municipio*, sometimes approving projects not consistent with the larger policy defined at the central level of government.

In the 1990s, the MINVU and municipal governments were joined by the National Commission on the Environment (CONAMA) and its regional offices, the Regional Commissions on the Environment (COREMA), in assuming the responsibility of approving, by law,[18] projects with certain characteristics that demand either an environmental impact statement or study. In addition, the COREMAs play an important role when citizens' groups oppose a project and ask that it be evaluated for environmental impacts. This may delay project implementation and drive up its costs, as will be seen in the case of Plaza Perú discussed in the next section.

Within the complex mechanism that is the urban machine, the state must also relate to its citizens, with whom it needs to maintain a favorable relationship since they make up its electoral constituency. Although citizen participation figures prominently in the state's current discourse, in reality, it is generally limited to presenting projects that have been designed by "experts" to the persons who will be potentially affected, to ask their opinion. Meanwhile, the real decisions are made afterwards, and based on "technical" grounds, often provoking major clashes between cit-

izens and the authorities. Conflicts flare up from time to time, becoming a constant source of political pressure. For example, during the last decade, Santiago's citizens have refused to have garbage dumps installed near their place of residence and no resolution has been reached, while the costs of feasible solutions have steadily mounted.

The Private Sector

The private sector, which often owns the land and/or capital, seeks to maximize profits based on its own internal logic, to which end it seeks to continue the unbridled growth of the city, and thus must occupy peripheral urban areas. Real-estate developers seek to have the state create the conditions for their parcels to increase in value, mainly by improving access (new roads) and expanding or improving basic infrastructure. At the same time, the private sector seeks to avoid, to the extent possible, any checks on growth, by opposing restrictions on land use and population density. To this end, the private sector uses political pressure, by manipulating the building industry's potential capacity for generating employment, for example, a topic that weighs heavily at present as unemployment has become a major national concern. Due to its zealous effort to avoid limits on growth, the private sector has expressed interest in participating and having decision-making power in the design of the urban regulatory plans. Moreover, the private sector has waged a campaign of open opposition to the Inter-Municipal Regulatory Plan, approved in 1994, which it believes unduly limits its right to obtain profit from its land.

Capital, in the realm of real estate, is interested in obtaining, *as is to be expected*, the highest possible profit from the development of its land or project. The top rates of return will be in the most profitable projects, such as the large urban artifacts (malls, office complexes, specialized commercial centers)[19] and exclusive neighborhoods or residential complexes. But in this case as well, it would be a mistake to consider real-estate capital as having a single orientation. Just as there are major differences among different state agencies, there are major differences among the interests of the various different real-estate groups who compete ferociously for shares within limited markets. Thus, the owners of land in different "localities" (i.e. different municipalities) try to garner state support to increase the potential (and value) of their land. This can happen by introducing or improving infrastructure, by loosening up regulations, or by offering spe-

cial incentives to promote development. Indeed, this last mechanism has been used by the state in Santiago Poniente to jump-start urban renewal.[20]

Recently in Santiago, giant residential and mixed-use large-scale projects geared to the upper-middle and upper sectors have been proposed. The potential supply far exceeds the possibilities of demand in the real estate market; indeed, many of these projects have remained at their initial phases. One credible hypothesis for this is that in the face of a regulatory plan that places a strict limit on growth, small projects have no chance of being approved at the higher levels of government. Even if the municipal government were to accept small development projects, the ministerial level is likely to hold them up if they are not governed by the regulatory framework approved for the Metropolitan Region. Megaprojects on the other hand, are likely to be accorded special treatment and have shown a much greater ability to be authorized on an exceptional basis.[21] If one also considers the fact that holding approved permits sharply increases the value of land, and that the owners may seek loans based on the value of that land (yet need not necessarily use the funds to build the project), by deft legal maneuvering, real estate ownership can be used to obtain priority financing that can be invested, for example, in productive activities.

Although the private sector in Santiago traditionally has invested in very selected areas of the city, especially in the triangle formed from the center to the northeast where the greatest economic capacity is concentrated, the country's swift economic advance in the last decade has created new market niches that have led to the development of new commercial centers and new middle-class housing. The now more numerous middle- and upper-middle sectors have been expanding to the east and southeast areas of the city. In some municipalities, such as Huechuraba, there has been a complete economic turnabout since its development as an extension of the *barrio alto*. The community of La Florida, with the consolidation of a huge commercial and office complex (Plaza Vespucio Mall), the rise of other shopping centers (La Florida Mall), and backed by an extension of the Metro, has seen its population change from predominantly poor residents to largely middle-class residents. In addition, new lower-middle class sectors are burgeoning in the western part of the Metropolitan Region, around new large commercial centers whose development is occurring in a manner fully analogous to what occurs in the United States when new areas are opened to suburban development.

As seen above, the relationship between the private sector and the state is complex. While the private sector seeks the state's support and negotiates with its various institutions to maximize its profits whenever it invests in the city, it also pressures the state for actions favorable to its interests and constantly attacks it in the media for the barriers to development it puts into place.

In Chile, the private sector holds an ambivalent view towards the citizens. While the citizens are the private sector's potential clients, in principle, it also views them as possible adversaries. The private sector has to negotiate with the citizens and offer them ever-improved living conditions to convince them to buy their product. One experience that highlights the relationship among the various actors, and how it can change, is that of the construction of low-cost housing in Chile, which up to the mid-1990s was an attractive business for the private sector (thanks largely to the support of the state). When heavy rains destroyed a low-cost housing development in Santiago, a major political and public relations problem ensued for the private sector and the state. This incited the private sector, now faced with possible lawsuits over its poor quality constructions, to bow out of an increasingly unattractive business, an occurrence that is becoming more and more common.

The Obstacles

Before analyzing the third actor, the citizens, in more detail, we should visualize the forces that oppose the "urban machine" in its search for growth. One key enemy of growth is a lack of economic dynamism, which has a direct negative impact on the market for private projects, and leads to vanishing demand. This happened in Chile, and in Santiago, in 1998 when the Asian crisis shook the Latin American economies. The impact of the Asian crisis is felt to this day in the country's sluggish economic recovery. Another possible barrier to the city's growth is the lack of a budget for state projects (such as for building the infrastructure required of growth). An effort has been made to solve this problem by recurring to concessions, though what this means for the city remains to be seen.

Urban regulations are also seen by the private sector as a fundamental obstacle to its projects. In the public debate instigated by the private sector, the Inter-Municipal Regulatory Plan is presented as thwarting plans for expansion. Yet, sometimes it is the municipalities themselves who

interfere with development, applying regulations that halt certain projects that Mayors and/or municipal council members deem harmful to the municipality (the San Luis Project in Las Condes is a good example).

New environmental regulations have also emerged in the 1990s as another force impeding growth or change in certain areas. Since the promulgation of the Basic Law on the Environment (1994) and the Regulation on Environmental Impact Assessment (1995), environmental impact assessments have become a potential barrier to the development of urban projects.[22] There is no consensus on the type and scale of urban projects requiring an environmental impact assessment, thus all real estate developers seek to have their projects approved with a mere environmental impact statement, which does not require an in-depth study. Yet, a statement is not always accepted, and some projects are forced to perform an environmental impact assessment, which includes technical studies and citizen participation.

On certain occasions, projects promoted by some government offices meet the opposition of other public institutions. For example, a municipality may oppose the construction of a highway if it believes it will have a detrimental impact on its population. The most clear-cut case of such problems is in the Metropolitan Region of Santiago where Mayors and residents of several peripheral municipalities have rejected proposals for the siting of transfer stations and garbage dumps.

THE BATTLES

The third actor participating in this complex mechanism that constantly creates and transforms the city is the citizen, particularly the groups of citizens who organize to defend something they feel to be important in their urban environment by standing up to the growth machine. Through the struggles in present-day Santiago, we will see in more detail what leads them to organize, how they take action, and what results they are obtaining in this dynamic of opposition, conflict, and alliance that shapes the city.

Over the last decade, practically all of the important struggles that have been or are being waged by citizens groups in Santiago have been against some urban project they see as a threat to their quality of life, to the value of their property, and/or to their health. For them, the environment is so bound up with quality of life that these could be defined as movements for the urban environment. As Molotch states,

> Attempts by citizens´ groups to affect development represent an authentic grassroots effort to gain control over urban futures....[23]

Most of the conflicts occur within the city limits, where a project (a highway, a new real estate development, a cell phone antenna, etc.) threatens to change the local residents' way of life. In recent years, the reluctance of local residents and municipal governments to accept a dump, a prison, or other similar projects is taking place in the municipalities of the periphery, even in those with extensive undeveloped areas. This repudiation of certain "undesirable" aspects of urban life, which are nonetheless necessary for the city to function, has become worldwide: in the United States it is alluded to by the expressions NIMBY ("not in my back yard") and LULUs (locally undesirable land uses). One of the most complex issues in urban management today has yet to be resolved in Santiago.

> As soon as it is learned that there is an initiative for a sanitary land-fill, dump, or transfer station, residents and local authorities organize to stop its construction.[24]

One of the most publicized cases of the early 1990s in the Metropolitan Region of Santiago was that of a natural gas pipeline, which, in crossing the Andean range from Argentina, was to pass through the municipality of Pirque, where it traversed rural properties, and below towns peripheral to the urban area. For over two years, certain influential local residents along with groups of residents from the rural towns tried to resist having the gas pipeline run through their properties. After a lengthy dispute involving the central government, the company GasAndes, local governments, and the residents affected, the pipeline was built, but not until compensation had been duly paid to the persons affected.[25]

Also in the early 1990s, the construction of a new Metro line threatened to destroy Parque Baquedano, a centrally located park in Santiago. The middle class neighborhood residents, with support from environmental organizations, sought to change the course of the Metro line to preserve the traditional park and its old trees, some more than 50 years old. After long months of debate, letters to the newspapers, meetings with the persons responsible for the project, and other activities, the course of the Metro line was not changed, but the company (which is state-owned)

made a detailed study of the park's plant life and in many cases moved trees in order to save them. Even though part of the park was nevertheless impacted by the project, never before in Chile had a company as powerful as the Metropolitan Transit Company taken citizens' concerns so seriously.

Such movements have been on the rise, and new citizens' action groups are constantly forming. These are generally composed of middle- and upper-middle class people ("those who count"[26]), who oppose interventions such as increasing the density of their single-family neighborhoods, changing land uses that would make their residential neighborhoods commercial, the installation of cell phone towers, and the like.

One of the movements that has become an exception to this scheme because its grassroots base involved the urban poor, formed in December 1995 when a fire at the Mathiensen Molypac chemical plant caused a toxic cloud in an area of low-cost housing in the municipality of Lo Espejo.[27] This group was the first to expose the problem of environmental equity and prompted a review of the very serious danger toxics pose to populations in urban areas; particularly since the areas affected are always low-income neighborhoods that have grown up around unregulated industries. Nowadays, the population and the authorities are much more aware, and any problem involving toxic substances, however small, is given extensive media coverage.

Opposition to cell-phone antennas by middle-class and upper-middle-class groups has become very strong in Santiago, to the point of harming companies' economic interests.

> Such has been the scandal—with court action seeking constitutional protection and street demonstrations—that the cell-phone companies got together to create the Association of Mobile Telephone Companies (Atelmo)....[28]

Another case involves a large-scale project in a middle-class, single-family neighborhood in the municipality of Vitacura. Residents are upset over a proposed complex of buildings, already under construction, that if completed according to plans will at least double the population density in their neighborhood, thus severely affecting its peace and tranquility. This complex is known as the "Parque Las Américas" and its first two towers, with 22 floors, are now being finished. These towers are to be

complemented by a series of other buildings, totaling 1,000 apartments in all. The neighbors who oppose it have formed an organization called *Furiosos Vecinos* (Angry Neighbors), which includes some well-known professionals. They are pursuing a series of legal remedies (including a constitutional remedy (*recurso de protección*), a motion alleging illegality (*recurso de ilegalidad*), criminal inquiries, etc.) to try to halt the construction. The case is constantly in the press, though thus far there has been no resolution, as the developer keeps building.

> The implementation of this project will bring about the collapse of the few and already crowded access roads.... The buildings will have a shortfall of some 600 parking spaces; these cars will have to park in the surrounding streets.
>
> In the face of this situation, a growing group of residents decided to organize to defend the neighborhood, and we have been pursuing several initiatives.... In recent days some residents have been subjected to pressure and threats in an effort to get them to desist from the noble and lofty purposes they pursue.[29]

Recently, in a less noteworthy case but which was highlighted in the press as "unprecedented," a group of residents of single-family units, also in the municipality of Vitacura, won a legal battle to stop the construction of a 14-story building.[30]

A smaller-scale debate, but one that is creating a great deal of trouble for the Mayor of the municipality of Las Condes,[31] is the residents' opposition to a water fountain. A fountain was built as part of the refurbishing plan for Avenida Isodora Goyenechea, which is lined with very wide sidewalks and elegant shops. A local resident and architect donated the design for the fountain to the municipality. As the fountain's excessive height happens to block the view of the facade of the Church of Los Angeles, situated at the end of this avenue, dozens of residents are airing their objections through the local media by calling for the demolition of the brand new fountain. Independent of the outcome, upper middle-class residents cherish the beauty of their neighborhood, especially symbolic places, but these strong feelings are only expressed when these places and values are threatened.

Of all these struggles, some smaller-scale, others larger-scale, some longer and some shorter, some ending in success and others in failure, there are two particular situations we wish to examine more closely, both of which persist in Santiago to this day. The first, like most of the battles that receive publicity, is being waged in an upper middle-class neighborhood. The second, in contrast, has a heterogeneous socioeconomic composition and has become the most significant urban movement in the last decade in Chile.

Plaza Peru

The polemic around Plaza Perú began in 1998, when the municipal government of Las Condes[32] requested bids for the construction of a three-level parking garage under Plaza Perú, to be awarded in concession. Plaza Perú is a neighborhood plaza situated in an upper middle-class residential neighborhood but very near a commercial office center. Despite the relatively scant importance of the plaza, and the fact that it does not have unique plant life, the residents were able to voice their concerns through the local media and garner support from other citizens groups. This battle received significant attention for over a year and eventually led the Mayor to call a municipal referendum on the matter.

The residents opposed the parking garage by arguing the environmental cost of the project to their neighborhood, which consisted,

> … not only of noise and emissions of particulate matter (pollution) during construction and operation, but in addition, an increase in situations of congestion and risk, and, what is most difficult for the residents to accept, the end of all the benefits of a consolidated green area.[33]

The Committee for the Defense of Plaza Perú, led by Mrs. Amelia Rodríguez, collected 3,000 signatures from residents opposed to construction of the parking facility.[34]

In June 2000, the local planning authority was asked its opinion on the residents' claims. This technical office of the Ministry of Housing and Urban Development determined that the construction was not causing "*significant alterations to the life systems and customs of the human groups*,"[35] thus all that was needed was an environmental impact statement, not a study. In July, the project was presented to the COREMA (Regional Commission

on the Environment), which, after hearing the residents' arguments, overturned the prior technical ruling and ordered an environmental impact study, which entails a set of detailed technical studies, higher costs, and delays. As a form of political pressure, the Mayor then called a referendum, which was held August 26 and 27 of 2000, calling on all of the more than 50,000 residents of the Municipality to vote. Of the 10,000 who voted, 85% voted for the construction of the parking structure, though this vote had no legal effect.[36] Of course, the project's opponents considered this consultation invalid and wanted to allow only the nearest neighbors to vote, about 3,500 in all. The Mayor and the Developer appealed the COREMA decision, placing the matter in the hands of the Council of Ministers who sit on the National Commission on the Environment (CONAMA). Two months later, the Executive Director of CONAMA announced its ruling on behalf of the parking facility, and the project was given the green light with groundbreaking set for November 2000.

> The ruling is based on the fact that the intervention in the plaza will be temporary (13 to 20 months) and reversible; this will not produce significant alterations in the lives of the sector's residents.[37]

The residents will pursue a final motion for constitutional protection in the courts.

CONSTANERA NORTE—CIUDAD VIVA

The battle over the *Costanera Norte*, which was to be the first urban highway awarded in concession in Chile, has been the most significant citizens' movement of the last decade as a whole host of community organizations have come together to oppose its construction.

In late 1996, a group of residents from the Bellavista neighborhood, meeting under the Ecological Committee of Bellavista, first heard rumors about plans to build a highway through their neighborhood.[38] Bellavista is an old, traditional neighborhood situated to the immediate north of downtown Santiago. After decades of abandonment and deterioration, it began a slow resurgence in the 1980s, coming to be known as a neighborhood of artists and bohemians, with restaurants, dance halls, studios, etc. Bellavista already had a history of struggle to improve local conditions, as its residents

had worked together for six years on noise and garbage problems, and in so doing learned the basic elements of citizen action and participation:

> ... how to organize and run meetings that are both friendly and pro-
> ductive; how to investigate and prepare reports for any conflict; how
> to initiate contacts with the authorities and other relevant entities
> and follow up on those contacts; how to avoid becoming exhausted
> in the enormous effort required for each initiative and each effort to
> seek improvements.[39]

Residents began to seek information on the project and called a meeting attended by some 300 people[40] who found themselves, "... struck by the news of the highway and concerned about the lack of information, which became a constant feature in the relationship between the developer and the persons affected."[41] Officials from the Ministry of Public Works in charge of the project attended the meeting offering many promises but little concrete information. According to the plan, the highway would cut through the neighborhood underground, yet none of its urban impacts had been studied.

The neighbors educated themselves on the impact of highways on urban neighborhoods and in June 1996 launched their campaign "NO TO THE COSTANERA NORTE" at a rally held in a neighborhood plaza with considerable media coverage and with many residents and sympathizers in attendance. In addition to the direct impact of the highway on their neighborhood, the residents opposed the idea of building an urban superhighway that would further encourage automobile use in the already-crowded and polluted city of Santiago.

Other groups formed in the neighborhoods surrounding Bellavista to oppose the highway project, such as the Committee for the Defense of Recoleta and the Patronato Development Committee, in addition to the already-existing organizations at the Vega Central.[42] As these groups studied the matter (through meetings with Ministry representatives, academic seminars, technical assistance programs), the Ministry of Public Works entered into agreements with groups of tenants from the Vega Central and other groups from Patronato, promising that these communities would derive a series of benefits from the project. The *Junta de Vecinos* (Neighborhood Committee) from Pedro de Valdivia Norte (No. 12), a middle-class neighborhood located immediately to the east of Bellavista,

and which would have been significantly impacted by the highway, came to be known for its combative stand.[43] Another very active group that emerged in early 1997, the Committee in Defense of Parque Metropolitano,[44] made common cause with the other organizations. They held rallies, and new organizations joined the struggle.

The call for bids for construction of the Costanera Norte began in April 1997. Residents managed to halt this process in the courts, which ordered an environmental impact study, while accordingly, the bidding developers sought more time from the Government. The residents organized a process of citizen participation with the Regional Commission on the Environment for the Metropolitan Region that ended up being unsatisfactory for the residents because

> … the authorities try to impose a methodology based on the developer's criteria and mistaken theoretical concepts.[45]

That was when the various organizations decided to create the Coordinating Body for the NO TO THE COSTANERA NORTE campaign, which brought together 14 citizens' organizations of different sorts, including the traders' associations of Tirso de Molina and Vega Chica, the Association of Merchants of the Periphery of Vega, and the Associations of Owners and Tenants of Independencia (a community threatened with expropriation).[46] With this action, the organization became very strong and highly visible, and found itself "… consolidating as an organization with great capacities, despite the always limited resources." By late 1998 the *Coordinadora* had brought together 20 community organizations, 18 of which were playing an active role in directing the opposition to the Costanera Norte. As the *Coordinadora*, these organizations participated in the environmental impact evaluation directed by the Regional Commission on the Environment, and, though very critical of the process, this enabled them to advance in the joint work:

> On July 23, the day we were to give our response to the COREMA, was a great milestone in our process as the Coordinadora. We organized a press conference at an improvised site at Tirso de Molina.[47] The organizers were the traders' associations of the Tirso de Molina with the people from Independencia, while the Vega Chica chipped

in with buttons, banners, balloons, and the like. There was good attendance on the part of the radio stations and daily papers. The leaders of each community spoke, [including] Ignacio Santa María, a renowned urban planner and our adviser,[48] and Mauricio Montecinos, the person in charge of the team that prepared our response. More than 300 people were there, and most of us marched downtown to the COREMA office and back.[49]

The organization sent prepared delegations to the Senate Committee on the Environment, the seminar organized by the Committee on the Environment of the lower chamber, the Medical College of Santiago, the Commission on Environment of the Colegio Nacional, several commissions of the College of Architects and the College of Psychologists, and various environmental organizations, including RENACE, *the Instituto de Ecología Política*, and the *Observatorio Latinoamericano de Conflictos Ambientales* (Latin American Observatory of Environmental Conflicts). The group received support from the law clinic at the Universidad Diego Portales, the College of Engineers, and several prominent professionals. The Coordinadora was constantly producing informational packages and press releases, which were having an ever-greater impact on public opinion.

> Gradually, we began to note changes in the attitude of the journalists and the press in general. Like all of us, as they became better informed, they became increasingly concerned about the implications of this project.[50]

The municipal government of Providencia even commissioned an environmental consulting firm to perform an independent evaluation of the environmental impact study that had been prepared by the Ministry of Public Works, with extremely critical results. In June 1998, the Court of Appeals ruled against the motion for constitutional protection brought by the Coordinadora; the ruling was immediately appealed by the community.

The Coordinadora based its strategy on five points: turning to the courts, using the Environmental Impact Evaluation System (SEIA), mobilizing human capital, applying political pressure; and putting out information through the mass media and their own media (leaflets, posters, etc.). The residents spelled out their position in the following terms:

From the beginning we have been told that the Costanera is going forward, that there's nothing to be done about it, that we should try to negotiate, to get something out of it for ourselves. But while we began by worrying about its impact on our corner of the city, we are continuing in this enormous and disinterested effort because we feel that we bear a great responsibility on our shoulders: to ourselves, to our communities, no doubt, but also to the whole city, and especially to all these children who fill our hospitals with cries and tears every time pollution gets worse.

We are not willing to hush up, much less to sell out. The effort is enormous, but the reality of the harm that would be caused by this urban model suited to the needs of the car, not of living beings, forces us to continue taking action, and we'll go all the way.

That, plus our conviction that this fight can be won and that the victory will be a real contribution to the creation of a green and friendly Santiago where one can breathe with gusto, walk and bicycle without fear, that's enough.[51]

It should be noted that the original project cost of approximately US$ 180 million, rose to US$ 300 million in order to address the demands and claims of the residents of the various neighborhoods (noise barriers in Pedro de Valdivia Norte, gas filters in Bellavista, etc.). The interested companies have thus demanded a series of additional guarantees from the government to ensure the business is on firm ground (for example, minimum revenues which, if not collected, would have to be covered by the government).[52]

By late 1998, the project was declared "suspended" when the call for bids failed for lack of interest by developers. Nevertheless, in May 1999, the Ministry of Public Works once again announced the call for bids for the Costanera Norte, the Ministry taking charge of an extra US$ 80 million in costs, as requested by the interested companies to make the project feasible. The new call for bids went forward and the project was awarded in December 1999 to a consortium of companies headed up by IMPREGILO, a large Italian construction company with a somewhat dubious record in works in other countries, based on the information collected by community members.

As of late 2000, several months after the project was awarded, the organization is relatively calm. The Coordinadora has held meetings with

the construction company (at its invitation) and with the Bureau of Concessions of the Ministry of Public Works (at the group's request), and construction does not appear to be imminent. The consortium has suggested a change in the proposed route in the most conflictive zone (the neighborhoods of Bellavista, Recoleta, and Independencia), moving it below the bed of the adjacent Mapocho River. The Ministry of Public Works confirmed the proposal verbally, yet there has been no official statement regarding any possible changes. This is a thorny problem for the government since any change in route means new environmental impact studies, i.e. higher costs and more construction delays. Even so, in mid-November the Ministry of Public Works issued a call for bids for a new environmental impact study for the route proposed by the consortium. In addition, the company informed the residents that construction would not begin for at least one year, since the government is under a commitment to turn over the bridges and other complementary works that it offered, to make the project more attractive to the bidding companies. In the meantime, the residents are preparing to resume their campaign against the Costanera Norte. Clearly, none of the actors involved feel they have prevailed.

One incident that was very troubling to the Ministry of Public Works was the publication in a well-known local magazine in October 2000 of a brief note on one of the main leaders of the movement under the headline "The woman who stopped the Costanera Norte."[53] The journalist's misunderstanding, despite the later rectification, reflects a very widespread perception that the citizens have won the battle. Although legally the approvals granted to date suggest just the opposite, it is not yet known what will happen in the near future.

Of particular interest is that this movement has not limited its agenda to opposing the Costanera Norte. In tandem with the direct struggle to stop the highway, the organizations participating in the Coordinadora decided to continue working together with a broader vision and more ambitious aims. They have formed the organization *Ciudad Viva*, whose objectives reflect a vision of the sustainable city they hope to build:

> … our unity has enabled us to attain a certain level of learning and effectiveness that none of the organizations, on its own, had ever achieved.[54]

The Corporación Ciudad Viva, as it is formally known, has come to constitute one of the most visible citizens' organizations in Chile, winning the respect of politicians, academics, and citizens. In a persistent, volunteer effort, it has formed teams to study and tackle the problems or situations that affect them, such as noise pollution (a very serious problem in Bellavista), trash collection, protection of valuable areas, and effective community participation in drawing up municipal regulatory plans. It aspires to move from opposition to action by making its own proposals and working with different government agencies.

Recently (November 8, 2000), Ciudad Viva presented a Citizen Agenda for Sustainable Transportation to several authorities and citizens' organizations, with a set of concrete proposals developed over the course of a year with the support of technical experts and an open forum via Internet, by which comments were received. It entails a head-on assault to increasing car traffic:

> In the current conflicts over the use of public space, the car is congesting the streets, the sidewalks, the plazas, and the places that are not built up that could be parks (it's like a gas, occupying all the available space), displacing the other users: cyclists, children at play, pedestrians, skateboarders, and rollerskaters.[55]

In addition, they have pulled together a group of researchers who, together with the residents and organizations, are studying different issues they have prioritized in their struggle for a more livable city: transportation, noise, garbage collection, pedestrian and bicycle traffic, and preservation, among others. From a group of residents who came together to oppose a specific project, they have become a constantly-growing citizens' front devoted to thinking through how to live better in the city of Santiago, and making proposals to that end.

SELFISHNESS OR HEROISM?

The importance of, and perspectives on, the citizens' movements
One of the arguments most commonly used to dismiss citizens' movements is that they struggle for merely selfish reasons, seeking their individual or family well being. It is true that they generally fight for their own neighborhood and because they wish to maintain or improve their living

conditions, and it is also true that many movements break up when the objective is achieved or when the battle is considered a lost cause. Nevertheless, supposing that the driving force behind these groups is merely one of personal interest appears simplistic at best.

The question as to what it is that leads people to decide to participate in a movement of this sort is not easy to answer. The economist Amartya Sen suggests that for centuries economics has sought to explain people's behavior in order to understand how each individual makes his or her economic decisions.[56] If we extrapolate this to the urban question, we may find some clues as to how and why citizens decide to take up the urban battles. Sen explains that in economic models, man is a selfish being always seeking to shore up his self-interest. This coincides with the perception, noted above, that urban residents are moved only by selfish interests. This raises a more important question that has concerned thinkers for centuries: how, and to what extent, can the pursuit of self-interest advance the common good?[57] We do not claim here to find a conclusive answer to such a complex question, but to better understand how and why people decide to act in a given way vis-à-vis threats to the place they consider their own.

Sen presents two concepts in considering the question of selfishness: sympathy and commitment. Sympathy as a basis for decisions would fall within the realm of selfishness, since "... conduct based on sympathy is largely selfish, because one enjoys it when others are pleased, and feels pain when others suffer." On the other hand, behavior based on commitment would not be selfish if we understand commitment as "...a person choosing an act [in a manner that] he believes will yield a lower level of personal welfare to him than an alternative that is also available to him."[58]

Self-interest alone seems an insufficient explanation as to why city residents join these groups, and in some cases, devote a large part of their time to working with them as volunteers, without pay. On observing how these groups operate up close, one discovers that all have some members, generally very few, who, without necessarily being the most visible leaders, devote a large part of their energy and time to working on the issue that brings their group together. It is amazing to see how after long hours of work, day in and day out, the leaders and individuals most involved invest time in meetings and discussions to reach agreements and define strategies for their struggle. This is especially the case among the middle-class and poor sectors, who have a harder time making themselves heard and seen.

Some movements are only understood and maintained by the very high level of commitment and sacrifice on the part of relatively few people who give the struggle a central place in their personal lives. Those truly respected leaders capable of starting up a movement and keeping it alive are, in a sense, heroes (often heroines) in defending the quality of life.

It would appear that getting involved in defending one's own neighborhood has to do with the needs in question, which have to do with safety, stability, and one's sense of self. When safety and stability are threatened, residents come together in a highly functional manner. They understand that only by pooling their efforts can they defend their neighborhood (for example, from increased density, an invasion by other uses, drugs and gangs), and because of this they organize temporarily to resolve the problem that concerns them. In general, these movements do not go further than taking specific actions to achieve their specific goal.

Yet, when sense of self comes into play, it's different. When one's sense of identity is threatened, the strongest passions are aroused to defend the place where one lives or works. We find excellent examples of this in some of the groups that make up *Ciudad Viva*, including the traders of La Vega and of Pérgola de las Flores (a flower market adjacent to Santiago's cemetery), who feel that the importance of their work goes beyond the neighborhood and the city. Indeed, the *pergoleras* take great pride in their symbolic importance as the persons in charge of bidding farewell, with showers of flower petals, to all illustrious persons who pass by on their final trip to the cemetery. Also noteworthy, in a city that appears so little beloved by its inhabitants as is Santiago, is the ardor with which the residents of Bellavista defend their neighborhood from the invasion of nighttime activities that threaten its peace and tranquility. They defend a bohemian and urban way of life, a neighborhood life that enjoys a mix of artists and social classes, where everyone knows the corner storekeeper and the old woman from the house at the end of the street.

The foregoing examples show that the material use of a space cannot be separated from its psychological use. People feel that their neighborhood is the place that best meets a complex set of conditions: from solutions to practical problems to the security and peace of mind one derives from knowing and trusting your neighbors (a "use value"). This is why when a neighborhood is threatened by outside aggression (for example a highway, a sharp population increase), its residents feel the need to defend it.[59]

In addition, for some residents, their neighborhood use values overlap with its exchange values since in many cases home ownership is the basis of an overall economic strategy. For such families, their home is not only a place of residence, but also represents potential capital and an insurance policy for old age. This increases the importance of struggling to maintain a neighborhood and its property values.[60]

In today's world, where organizations based on class, employment, and the struggle for housing have lost strength, the sense of "us," of a community with a common destiny, is organized around the neighborhood. John Agnew explains why it is that people who feel their place of residence or work is threatened decide to join together to confront their common enemy:

> … First, having control over one's private space gives people a sense of freedom from the control or interference of others. Second, and more important, people feel that by being in control in their own private space, they have the ability and the opportunity to make something of themselves, to be "more of a person," to achieve a kind of self-realization.[61]

The cases discussed above show how movements forming in Santiago are similar to the urban environmentalist currents in the countries of the North, which are spawning forces that tend to thwart the operation of the "growth machine." Even though their results are very uneven and unpredictable (even in the case of the Costanera Norte the issue is far from resolved), countries such as Chile, that seek to expand and deepen their democracy, will undoubtedly see such citizen responses continue to grow in importance and political weight.

What is the importance of these movements in countries striving to become more democratic? In a historical moment when people are less and less interested in traditional party politics, the issues that mobilize people now include threats to the places where they live. Even though most experts and officials, both state and private, view citizens as the worst obstacle they are likely to face as they seek to carry out a project, they cannot ignore them, albeit for different reasons. For the private companies, citizens' groups who stand in the way of a project being carried out in the pre-set terms and conditions, can lead, and are leading, to substantially increased production costs in many parts of the world. The state, in

its dual role, will try to control citizen reactions so as to facilitate implementation of the projects, yet on the other hand, it must answer to citizens' demands or pay the price in the next elections.

As has been extensively shown, no single or linear response exists. Nor can one predict, *ex ante*, the success or failure of a movement or the effects it may have on a given project (ranging from halting it to implementing other changes). As has been observed in the United States:

> The outcome in each place thus represents a confluence of ecological, historic and economic circumstances, but tied to real choices that localities have to make through the political process.[62]

The ultimate objective of this analysis is to detect how the battles being waged by citizens are impacting the city. Can it be postulated that citizens are on the vanguard of a movement whose weight cannot be ignored by the other actors of the urban social machinery? We have presented sufficient arguments to show that their weight in the play of forces that move the urban machine is growing. Some analysts argue that these are simply fundamentalist and reactionary responses to the necessary and constant changes that take place in the life of a city. While most of the movements oppose specific projects that have a detrimental impact on quality of life, the social dynamics that these battles are setting in motion do not appear to be reactionary in the least. To the contrary, they are giving rise to and sometimes proliferating solidarity and partnerships among distinct groups and different social classes,[63] who are quickly learning the value of collaboration and mutual support in advancing towards a common goal: a better quality of life in the city in which they live.

Another major concern for both the public and private sectors is that these citizen movements may mark the seed of a complete urban ungovernability in the near future. What would happen if citizen approval were required to make any decision in the city? It would be chaos, they say, the cities would be completely ungovernable. This is, no doubt, a possibility, but it will depend on how the process that leads to the creation and transformation of cities is handled.

We believe that it is no accident that these movements are growing and becoming stronger in cities. Residents are realizing that major changes are needed in the way decisions are made about what is to be done in the city

and when. The urban movements highlight the fact that the traditional forms of planning must be adapted to the new times if they are to be effective tools for improving our cities. A mostly urban, and increasingly educated, population with access to more extensive knowledge, in countries that aspire to deepen democracy as a system of government, will of course demand more and more from those who build the places they live. Urban planners, administrators, and entrepreneurs for whom the city is the very center of their activity urgently need to take account of the opinions and aspirations of the population for which they work from the initial stages of any plan or project. Otherwise, they will face increasingly firm and coordinated opposition, and the city will be transformed into the main arena where political battles are waged in the new millennium.

Citizens' movements, which to date have been movements of opposition and struggle, can be transformed into forces that can propose and collaborate in defining change. To this end, it is imperative that citizens' groups be taken into account before decisions are made and before projects are implemented. They have the potential to be a valuable and most effective instrument in improving and bringing about a more gratifying quality of life for urban dwellers.

NOTES

1. Harvey Molotch, "The Growth Machine: Towards a Political Economy of Place," *American Journal of Sociology*, Vol. 82, No. 2 (1976), 309-330.

2. Molotch, 1976, 310. This is real for a country that operates with a not-very-polarized political scheme, such as the United States, but it is not working at this time in Chile, particularly in Santiago. The economic crisis of 1998, which echoed the Asian crisis, continued to be felt through late 2000. One valid hypothesis for explaining this situation is that the local elite are consciously generating economic pressures against the Socialist government of President Ricardo Lagos, putting off economic and urban investments, and therefore stalling an economic recovery despite the government's efforts to promote growth.

3. John R. Logan and Harvey L. Molotch, *Urban Fortunes, The Political Economy of Place* (Berkeley: University of California Press, 1987), 13-15.

4. Harvey Molotch, "Urban Deals in Comparative Perspective" in *Beyond the City Limits,* John Logan and Todd Swanstrom, eds. (Philadelphia: Temple University Press, 1990).

5. Logan and Molotch, 1987.

6. Not only because of their economic capacity, but also because of the potential of the construction industry to create jobs, which is a fundamental

issue, as unemployment is the number one concern of a large part of the population.

7. Murray Edelman, 1964, as cited by Molotch, 1990.

8. One excellent example of a symbolic policy has been the recent publication of the Santiago Metropolitan Region's Urban Transportation Plan for 2000–2005, published in the newspapers on November 8, 2000. If one considers that a similar plan was published in 1994 for the 1995–2000 period, and that not even one-third of the measures proposed have been carried out, it can be expected that this plan will not go much beyond good intentions.

9. Molotch, 1990, 313.

10. Molotch, 1990.

11. Molotch, 1990.

12. Alfredo Rodríguez and Lucy Winchester, 2000, paper presented at the seminar "Las regiones metropolitanas del Mercosur y México: entre la competitividad y la complementariedad," Buenos Aires, November–December 2000.

13. IDH, 2000.

14 Javier Ramos, "Lo local y lo global en la lógica de localización del terciario avanzado," Master's thesis, IEU, Universidad Católica de Chile, Santiago, 1999.

15. Ana Sugraynez, "Consulta sobre las políticas habitacionales en Chile," RUDO USAID, IEU-PUC, Foro Hábitat, COVIP, 2000.

16. Sonia Tschorne, Undersecretary of Housing and Urban Development, statements in the daily newspaper El Mercurio, October 2000.

17. Planners such as Marcial Echeñique, a University of Cambridge professor and former adviser to two Ministers of Public Works in the 1990s, argue that the only planning is infrastructure planning. Lecture, Instituto de Estudios Urbanos, Santiago, Chile, September 8, 2000.

18. Fundamental Law on the Environment, adopted in 1994.

19. The concept of "urban artifact" has been developed by Carlos de Mattos, "Santiago de Chile: Globalización y expansión metropolitana" *Revista EURE,* Vol. XXV, No. 76 (December 1999).

20. To achieve the re-population of Santiago Poniente, the Municipality of Santiago made a deal with the Ministry of Housing and Urban Development that doubled subsidies for housing located in that area, thereby opening a new niche for subsidized housing construction for the lower-middle class. This program has succeeded in attracting investment to the area, though at a cost of the destruction of many of the historical structures and spaces of that zone.

21. Iván Poduje, "Expansión metropolitana bajo el modelo de los Megaproyectos Inmobiliarios: El caso de Santiago," working document, IEU, November, 2000.

22. For more details, visit www.conama.cl.

23. Harvey Molotch, "Urban Deals in Comparative Perspective," in *Beyond the City Limits,* John Logan and Todd Swanstrom, eds. (Philadelphia: Temple University Press, 1990).

24. "Nadie los quiere cerca de casa," El Mercurio, November 2, 2000.

25. Patricia Ibáñez, "El concepto ambiental como ámbito de gestión ambiental municipal: Conflict Gas Andes S.A." Master's Thesis, Instituto de Estudios Urbanos, Santiago, Chile, 1996.

26. Molotch, 1976.

27. The organization that formed has published several documents presenting the problems that arose in the population. One such document is "Rebrota el incendio de la industria Mathiensen Molypac," public statement, Lo Espejo Citizen Action Commission for the Environment (ACPMA: Acción Ciudadana por el Medio Ambiente, 1999).

28. "Nadie los quiere cerca de casa," El Mercurio, November 2, 2000.

29. María Teresa Infante, resident, in a letter to El Mercurio, October 29, 2000.

30. "El desafío es la calidad de vida," El Mercurio, October 17, 2000.

31. Las Condes is one of the four wealthiest municipalities in the Santiago Metropolitan Region.

32. A right-wing party currently controls the administration.

33. "Los vecinos del El Golf Norte a los profesores y estudiantes de Arquitectura: Plaza Peru: Hechos, Falacias y Verdades," leaflet distributed September 13, 2000.

34. "Plaza Peru: Hechos, Falacias y Verdades," leaflet distributed September 13, 2000.

35. Law No. 19,300, Fundamental Law on the Environment, Article 11(c).

36. Plaza Perú: ¿Qué hacer con los autos? Urbanismo y Construcción, El Mercurio, September 27, 2000.

37. "CONAMA autorizó proyecto Plaza Perú," Vecinos denuncian presión de "poderes Fácticos," El Mercurio, September 23, 2000.

38. The project, designed by the Ministry of Public Works, consisted of an urban tollway, the first urban private concession, which then-President Eduardo Frei promoted as a way to link the more well-to-do northeast sector of the city with the northwest, passing to one side of the urban center.

39. Ricardo Araya and Lake Sagaris, Costanera Norte, La Ciudad Que Queremos (Santiago: Observatorio de Conflictos Ambientales, 1997). (The authors are leaders of the Coordinadora.)

40. Call put out by the Juntas de Vecinos Nos. 13 (Providencia) and 35 (Recoleta).

41. Araya and Sagaris, 1997.

42. Bellavista is a middle-class neighborhood, Recoleta and Patronato are poor neighborhoods, and the Vega Central is the largest fruit and vegetable farmer's market in Santiago.

43. The neighborhood of Pedro de Valdivia Norte (No. 12) is home to a professional middle class that is not all that secure economically, but enjoys social prestige, which is why they quickly emerged as a group with a much

greater capacity to make themselves heard by the press and even by right-wing sectors.

44. Made up of professionals and prominent persons who defend the main park of the Metropolitan Region.

45. Araya and Sagaris, 1997.

46. All these organizations are clearly rooted in the poor communities, have combative histories, are well respected, and enjoy prestige in the city, which they generally supply with fresh fruits and vegetables.

47. Traditional market.

48. Winner, National Urban Design Award, 1998.

49. Araya and Sagaris, 1997.

50. Ibid.

51. Ibid.

52. This system was used in Mexico City for the Mexico City-Acapulco Highway; the shortfall on the predicted revenues was so great that the government decided to take back the concession from the company so as to avoid paying the very high costs.

53. Revista Paula, October 2000, 37.

54. Araya and Sagaris, 1997. The organization "Ciudad Viva" is currently applying for its juridical personality; and as of late 2000, all that remains is for the Minister of Justice to sign.

55. Ciudad Viva, call to the Citizens' Agenda for Sustainable Transportation, September 8, 2000.

56. Amartya K. Sen, "Rational Fools: A Critique of the Behavioral Foundations of Economic Theory," in *Beyond Self Interest*, Jane J. Mansbridge, ed. (Chicago: University of Chicago Press, 1990).

57. F.Y. Edgeworth, *1881 Mathematical Psychics: An Essay on the Application of Mathematics to the Moral Sciences* (London: C.K. Paul and Co.) as cited by Sen, 1990.

58. Sen, 1990.

59. John R. Logan and Harvey L. Molotch, *Urban Fortunes: The Political Economy of Place* (Berkeley: University of California Press, 1987), 13-15.

60. Logan and Molotch, 1987, 20.

61. John Agnew, "Home Ownership and Identity in Capitalist Societies," in *Housing and Identity,* James S. Duncan, ed. (New York: HM Holmes and Meier Publishers Inc., 1982), 72.

62. Harvey Molotch, "Urban Deals in Comparative Perspective," in *Beyond the City Limits,* John Logan and Todd Swanstrom, eds. (Philadelphia: Temple University Press, 1990).

63. Including groups of activists, generally environmentalists, from other countries who provide support in the form of information and experiences.

RETHINKING URBAN SERVICE DELIVERY

Steven Friedman
Centre for Policy Studies, Johannesburg

As we meet, my country, South Africa, has this week held its second universal franchise local election. Predictably, all the parties vied with their rivals to promise to deliver services to voters better than ever before. None paused to begin a debate on whether it ought to be the prime task of local government to deliver services at all.

To South Africans as to most of the world, the idea that local government ought to deliver services is axiomatic. After all, what else is it there for? Even those who advocate a greater private role in service delivery see it as a continuing function of local government to take responsibility for the quality and price of the service.

But, in South Africa—and, quite probably, in many other parts of the South—there are costs to this fixation on local government as a service deliverer. First, local government becomes simply an implementing agent for the center; it is denied the space to choose between competing options because it is seen purely, as one South African cabinet minister put it, as the 'arms and legs' of national delivery programs.[1] Second, councillors become largely rubber stamps of local officials since the latter have far greater access to and grasp of technical information. This is particularly true of councillors in low-income areas, who should be elected because they are good at mobilising and speaking for people. But, because the council is chiefly concerned with service delivery, they are dragged into technical functions for which their experience and education ill equips them. Third, citizens are no longer seen as active partners of government but as passive recipients of services. So local government fails to function as a site of political choice and contest; citizens do not, therefore, see councillors as people who speak for them [2] and so they have little interest in working with them, ensuring a widening gap between representative government and those putatively represented. The cost of the stress on service delivery may, therefore, be less local democracy, less government-citizen co-operation and so, less effectiveness.

What, then, if we were to see local government as what it should primarily be—a site of representation, not of 'delivery'? What if we were to note that there is little point in electing an engineer or clerk, and that if councils are to restrict themselves to delivering services, it is unclear why the task could not be more appropriately carried out by appointed technicians? What if we were to suggest that local government would be more representative, democratic and attuned to its electorate if it did not deliver services at all, concentrating instead on representing its voters to those who do? Particular in societies with histories of political

mobilisation and participation in fights for democracy, this approach might accord better with the skills of many councillors, besides giving local representatives far more space and time to speak for citizens.

But who would deliver services? The most popular current option is public-private partnership understood in effect as partnership between government and business.[3] The skills required of local governments here are no longer technical, but the ability to represent, negotiate and monitor; to represent constituents' wishes to the prospective private provider; to negotiate these with the provider; and to monitor the negotiated agreement.[4] These are far more consistent with the skills which public representatives should possess than direct responsibility for service delivery. In practice, however, councils may lack the capacity to ensure that these partnerships really do respond to citizens' preferences because the need to allow the private provider a return on capital may so narrow the scope for ensuring that they respond to citizens' demands as to make the representative function largely illusory.

For services other than bulk water and electricity, therefore, there is the option of forming partnerships with citizens' groups—this model, in operation in many Southern localities and in the view of some, the pattern of the future, should at least allow councils to concentrate on making the policy choices which are the stuff of representation. The danger, however, is the difficulty in ensuring the accountability of private groups who carry out a public mandate. Besides the dangers of corruption or nepotism, the result may be to allow the emergence of forms of local power outside the control of local representatives who derive their power from an electorate mandate.[5] And, as noted above, partnerships of this sort to provide bulk electricity and water are not feasible.

The option with most potential, then, to ensure that public services remain under public control but that local councils are not judged primarily by their ability to 'deliver' them may be to look more closely at particular types of public-public partnership—the subject of a current South African experiment.[6] In essence, the idea here is that the service is provided by a public utility with regional rather than local scope which then works in partnership with local government. It supplies the service, while the municipality is responsible for inspanning citizen support for the service and willingness to meet public obligations by paying for it. While more research is needed, early evidence claims significant success in ensuring increased payment. At present, the representative component is quite narrow, but there is no reason why the arrangement should not allow for an active role by councillors in representation, negotiation and monitoring.

Whichever option is chosen, there is an urgent need for national and provincial government, as well as others with an interest in effective local government, to reduce the stress on service delivery and enhance that on representation and negotiation, the core activities of democrat-

ic politics. Not only is the current obsession with reducing local government to direct service delivery reducing local elections to a sterile contest between rival groups who now rarely bother even to mention local political alternatives—in many cases, local governments might as well be appointed for all the role they are able to play in representing residents' concerns and negotiating alternative visions of the city. It is also, ironically, alienating voters from representatives since it does little to foster the reciprocal relationship between the two, which produces high legitimacy for democratic systems of government.

In sum, incapacitated local governments in South Africa and elsewhere in the South will do little to build the local political communities subject to democratic norms which are essential preconditions to local democracy unless they become more representative, more amenable to choices, and are linked more closely to their voters. Freeing them from the expectation that they function primarily as service deliverers is a necessary condition for them to begin the attempt.

Notes

1. Ivor Chipkin, with Paul Thulare, *The Limits of Governance: Prospects for Local Government after the Katorus War* (Johannesburg: Centre for Policy Studies, Research Report, 1997); Graeme Gotz, *The Process and the Product: the November Local Elections and the Future of Local Government* (Johannesburg: Centre for Policy Studies, Research Report, 1996).

2. Institute for Democracy in South Africa, *Public Evaluations of and Demands on Local Government* (Idasa Cape Town, February 1998).

3. Simon Stacey, *New Capacities for Old?: Public-Private Partnerships and Universal Service Delivery in South Africa, Angola and Mozambique* (Johannesburg: Centre for Policy Studies, 1997).

4. Ibid.

5. In Ghana, for example, members of a transport union collect road taxes on behalf of the authorities. The potential for malfeasance as well as patronage are, of course, immense.

6. Tobias Schmitz, *Piloting Public-Public Partnerships: Successful Cost Recovery in Rand Water's Odi Supply Area* (Johannesburg: Centre for Policy Studies, Policy Brief, 1999).

Agenda: Workshop on Urban Governance in Major World Cities

**Woodrow Wilson Center Comparative Urban Studies Project
December 6-7, 2000**

WEDNESDAY, DECEMBER 6

9:30 a.m.   Welcome and Introduction
Joseph S. Tulchin and Blair A. Ruble

10:00 a.m.   New Approaches to Urban Governance
Richard Stren

10:15 a.m.   Workshop I: Structures of Governance
KC Sivaramakrishnan (Mumbai)
Koffi Attahi (Abidjan)
Serhiy Maksymenko (Kyiv)
Ronald Vogel (Tokyo)

1:00 p.m.   Buffet Lunch

2:30 p.m.   Workshop II: Democratic Transition Issues in Governance
Steven Friedman (Johannesburg)
Vyacheslav Glazychev (Moscow)
Aleksandr Vysokovsky (Russian cities)

THURSDAY, DECEMBER 7

9:30 a.m.   Workshop III: Participation and Social Inclusion
María Elena Ducci (Santiago)
Aprodicio Laquian (Manila)
Evelyn Levy (São Paulo)

PUBLIC POLICY FORUM ON URBAN GOVERNANCE
DECEMBER 7, 2000

2:00 p.m.	Panel I: Strategies for Addressing Urban Governance *Presentations by Key Governmental and Intergovernmental Organizations* Mila Freire, World Bank Earl Kessler, USAID Michael Cohen, New School University for Social Research
3:15 p.m.	Coffee Break
3:45 p.m.	Panel II: Presentation of Policy Briefs *Presentations by Leading Scholars of Urban Governance* Richard Stren, University of Toronto María Elena Ducci, Pontificia Universidad Católica de Chile Steven Friedman, Centre for Policy Studies
5:30 p.m.	Adjournment

Participant List: Workshop on Urban Governance in Major World Cities

Woodrow Wilson Center Comparative Urban Studies Project
December 6–7, 2000

PRESENTERS

Koffi Attahi, National Office of Technical and Development Studies, Cote d'Ivoire

María Elena Ducci, Professor, Pontificia Universidad Católica, Chile

Steven Friedman, Director, Centre for Policy Studies, Johannesburg

Vyacheslav Glazychev, Professor, Moscow Architecture Institute

Aprodicio Laquian, Professor Emeritus, University of British Columbia and Visiting Professor, Massachusetts Institute of Technology

Evelyn Levy, Professor, Catholic University of São Paulo

Serhiy Maksymenko, Project Manager, Institute for East West Studies, Kyiv

KC Sivaramakrishnan, Professor, Centre for Policy Research, New Delhi

Richard Stren, Professor, University of Toronto

Ronald Vogel, Professor, University of Louisville

Aleksandr Vysokovsky, Head of Department, Research Institute of Architectural Theory and Urban Planning, Moscow

PARTICIPANTS AND COMMENTATORS

Rebecca Abers, Professor, Universidade de Brasilia

Theodore Bestor, Professor, Cornell University

Michael Cohen, Director, International Affairs Program, New School University

Mila Freire, Lead Sector Economist, World Bank

Marcia Glenn, Regional Urban Environmental Coordinator, U.S. Agency for International Development

Earl Kessler, Urban Ombudsman, PADCO, Inc.

Joyce Malombe, Professor, University of New Hampshire

Patricia McCarney, Associate Professor, University of Toronto

Alfredo Rodriguez, Architect, Corporación Sur, Santiago

Revekka Voulfovich, Professor, Northwestern Academy for Public Administration, St. Petersburg

Rapporteur's Report: Workshop on Urban Governance in Major World Cities

**Woodrow Wilson Center Comparative Urban Studies Project
December 6–7, 2000**

INTRODUCTION

On December 6 and 7, 2000 the Woodrow Wilson Center hosted a workshop to explore in comparative perspective the challenges of urban governance. Following the presentation of case studies of cities around the world, workshop participants identified a common set of political, cultural, economic and institutional issues facing megacities. Increasing urbanization in the twenty-first century has brought problems of livability to the top of the urban research agenda. Workshop participants explored the relationship between social sustainability and governance in megacities, with particular attention to the forces of democratization and globalization.

WORKSHOP PAPER PRESENTATIONS: CITY CASE STUDIES
Panel 1

Introduction: The Meeting of the Irresistible Force with Godzilla, Richard Stren
Governments are not prepared to deal with the emergence of increasingly complex cities and regions, said Richard Stren as he opened the session. The sheer size and continued growth of these regions present a major challenge to local officials. Large metropolitan areas are also subject to globalization, increasingly diverse population, and a proliferation of economic and political power, further complicating the challenge of providing an adequate system of governance. Although cities of the South are often greater in size and more difficult to govern, these problems are not exclusive to the developing world, said Stren, citing the explosion of jurisdictions, districts, and functional agencies that can be found in almost any large city of the North. Governance of mega-urban regions is a topic that has received little attention from academics and policymakers. Stren con-

cluded that workshop participants were engaging in a vitally important exercise, to create a new vocabulary to describe the experience of living in and governing a mega–urban region.

Bombay, K.C. Sivaramakrishnan

K.C. Sivaramakrishnan identified three major obstacles to development in Bombay: slums, transportation, and the arrangement of the metropolitan government and its relationship to the government of India. First, slums are not exclusively the domain of impoverished citizens. Eight of Bombay's 12 million inhabitants live in slums. These citizens have formed powerful, moneyed organizations that make demands on local government. Second, a staggering number of passengers rely on Bombay's overburdened and inadequate transportation system: 130,000 passengers ride the railroads per hour in "super-dense crushed load operation;" 4 million passengers ride Bombay's buses per day; 6 million ride its railroads; and, there are nearly 1 million automobiles in the city's metropolitan area. Third, Bombay's metropolitan government is defined by the lack of local organization. Moreover, the relationship between Bombay and India's federal government fails to reflect the sheer power of numbers that reside in the city. While Bombay has grown exponentially over the past 25 years, there has been no redistricting during that time. Yet redistricting—scheduled to occur in 2001—will not necessarily alleviate the problems of local government in which officials believe that less participation will lead to a more efficient practice of democracy.

Abidjan, Koffi Attahi

Since its inception in 1980, metropolitan government in Abidjan has struggled to provide basic services, said Koffi Attahi. Following a 1988 reform in the structure of local government, most of the city's 61 elected officials refuse to cooperate in any way, resulting in gridlock. The city of Abidjan has no jurisdiction over the quality of services provided by the federal government of Cote d'Ivoire. Furthermore, according to Attahi, the mayor has little authority in relation to the state government and must be strong in order to accomplish anything within the city. Policymakers are largely unprepared to deal with the demands of a developing urban area. The policymaking corps comprised largely of engineers needs more economists and social scientists, concluded Attahi, noting that more than 50 percent of Abidjan's resources go towards waste management alone.

Kyiv, Serhiy Maksymenko

In a discussion of post-Soviet developments in Kyiv, Serhiy Maksymenko observed that the mayor's constitutionally mandated strength negates the city's constitutional guarantees of autonomy and local self-government for communities and municipalities. Municipalities do not control their own revenue and must rely on the mayor and his deputies for disbursements from the city budget. Through connections at the national level, a good mayor can offer a larger budget to municipalities, but at the cost of self-governance. Maksymenko warned that the strong mayor system works well now, guaranteeing most city services, but may backfire in Kyiv. Finally, he concluded, Kyiv lacks a long-term development strategy that integrates the plans of various branches of government.

Tokyo, Ronald Vogel

Ronald Vogel analyzed the problems of governing Tokyo in the context of growth and decentralization. Tokyo's metropolitan area is a fusion of six of Japan's largest cities, a megalopolis that holds 63 percent of Japan's population in three percent of its land area. This compression can be attributed to geography as well as to the "Tokyo Problem"—the magnetic pull of the capital. Although the government attempted to locate functional agencies out of the Tokyo area, it did not move them far enough. An initial diversion of population was followed by spillover back toward the major metropolitan center. According to Vogel, the "Tokyo Problem" created difficulties in the current fiscal crisis, bringing the city government under scrutiny for amassing debt to fund services. In response, ministries are becoming more transparent and the city has begun to devolve power to its municipalities. However, cautioned Vogel, this devolution of power, long sought after by local government, is a two-edged sword. City government is offering municipalities increased power to provide services such as waste management and water treatment, but is not supplying the necessary funds to carry out these responsibilities. However, Vogel concluded, devolution and decentralization are not always logical or controllable; rather, these processes often take on lives of their own, as may be the case in Tokyo.

Panel II

Johannesburg, Steven Friedman

Steven Friedman focused on two major challenges to governance in Johannesburg. First, the transition from a multi-racial to a non-racial government has been made more difficult by the assumption on the part of whites that black South Africans do not know how to govern. Blacks buy into these prejudices, said Friedman, creating a racial dynamic that significantly disrupts governance. Second, Friedman reflected upon the inchoate desire to make Johannesburg into a "world-class city." By achieving the status of a world class city Johannesburg, Africa's "last hope," holds the promise of boosting the continent's self-esteem. The goal has had a tangible effect on Johannesburg, argued Friedman. Decisionmakers are preoccupied by promoting business and have pushed aside the prior impulse towards democracy.

Moscow, Vyacheslav Glazychev

Moscow is too "megalomaniacal" to be truly comparable to any other city in the world, began Vyacheslav Glazychev. The municipal government of Moscow has declined since 1991, and democratization has stalled. After going through several arrangements with a large number of councilors, Mayor Yuri Luzhkov now is accountable to 26 councils. Glazychev mourned the loss of Moscow's intelligentsia but remained optimistic about the role to be played by young Russians who were not exposed to Communist influence.

Russia's Regional Cities, Aleksandr Vysokovsky

In most cities of regional Russia, the localities do not participate in governing, observed Aleksandr Vysokovsky. NGOs and citizens' associations play a minor role in Russian cities. Little has changed since 1991 due to a typically Russian approach that avoids conflict with the authorities. In this respect, Moscow is an anomaly, home to an array of citizens' associations and inhabitants who are vocal about the causes they support or oppose. The rest of Russia has a love-hate relationship with its capital, denouncing Moscow while emulating its mayoral style and, in some cases, even the physical arrangement of the city. The strong-mayor structure in which Moscow's Mayor Luzhkov governs translates into an authoritarian style in other Russian cities where civil society is not as strong, bringing serious consequences for participatory democracy, concluded Vysokovsky.

Panel III

Santiago, María Elena Ducci

María Elena Ducci described Santiago as one of the world's most segregated cities, where entire sectors are physically separated from one another according to class and income. The city's 34 *comunas* compete with one another for private investment. With a shrinking public sector, quality of life in Santiago has become increasingly dependent upon the decisions of private investors who are primarily concerned with the city's wealthiest areas. Citizens in poor sectors of the city have been forced to organize to ensure their quality of life. While they look to the government for assistance, said Ducci, the poor are now focusing their attention on private investors.

Manila, Aprodician Laquian

Aprodician Laquian detailed four types of community in the Manila metropolitan area: barrios, elite villages, middle-class communities, and rural communities on the periphery. Manila has 2,800 local governments that exclude as many citizens from participation as possible, said Laquian. Manilans have countered by becoming highly organized; yet it is difficult to unify beyond the local level. Once actors attempt to organize at higher levels, they enter a structure not amenable to participation. However, Laquian noted, opposition to President Estrada has led the city's thousands of NGOs to present a united front. Many of the city's cultural problems are rooted in its history as an American colony, Laquian concluded. The city's charter, imported from Washington, D.C., imposed structures that were designed to operate within an entirely different cultural framework.

São Paulo, Evelyn Levy

The population of São Paulo has mushroomed in the last century from 240,000 in 1900 to 10 million in 2000, said Evelyn Levy. Much of this growth has been the result of immigration, with volatile consequences for urban politics. Levy's remarks centered on the tensions between the Pro-Growth Coalition, connected to immigrant groups, religious associations, and peripheral populations, and the Comprehensive Planning Coalition, which has been interested in more balanced growth. According to Levy, São Paulo has some of the characteristics of a world-class city: it is the most important financial center in South America and has undergone industrial-

ization. However, São Paulo's current situation reflects the economic downturn experienced by Brazil over the last twenty years. Governance in São Paulo occurs in layers, Levy concluded. There is a high level of participation in communal organizational structures, but a near-complete disconnect between these local structures and the city's executive.

Panel IV: Public Presentations

Don Quixote and the Well-Managed City, Michael Cohen

The well-managed city has yet to be examined closely enough for definition, asserted Michael Cohen. Even the objectives in seeking out a well-managed city are unclear. Cohen called for the development of a normative model of a well-managed metropolis. A well-managed city would be one in which work is sustainable, he offered. Eventually, markets will substitute for the public sector, and performance indicators for a city will be tied to material outcomes, Cohen concluded.

Sustainable Cities: A World Bank Perspective, Christine Kessides

Christine Kessides outlined four major aspects of sustainable cities: competitiveness, quality of life, bankability (i.e., resources, responsibilities, management and creditworthiness) and transparency in governance. Strategic management of a city requires informed analysis, long-term goal setting, tradeoffs, implementation of an action plan, and monitoring and evaluation. Kessides emphasized a holistic approach that encompasses all aspects of city development, including local government expansion and capacity building. Local government must create internal and external partnerships, emphasizing poverty reduction, strategic thinking, governance and management.

The Role of USAID in the Development of Mega-Urban Regions, David Painter

By the year 2050, two-thirds of the world's population will live in cities, presenting an array of civic, economic, health and environmental challenges, argued David Painter. The locus of malnutrition is likely to shift from the countryside to urban areas. In order to make cities work, said Painter, they need to provide basic infrastructure, offer better urban governance, and be healthy places to live. While USAID has traditionally focused on rural areas, remarked Painter, the agency must now internalize a broader perspective that includes urban settings. The agency is now

focusing on upgrading quality of life and improving opportunities and infrastructure in poor urban communities.

Panel V

Competition Among Cities, Richard Stren

How can poor and wealthy cities compete on the same level, asked Richard Stren. Southern cities operate at a huge disadvantage for several reasons. First, the rate of growth in Southern cities is many times higher. The faster these cities grow, the poorer they become, as limited resources must be divided among increasing numbers. Furthermore, there is widespread social fragmentation, poor infrastructure, no real planning, and general incoherence in cities of the South. When Northern cities plan, said Stren, they secure support from other levels of government and form local political and social coalitions that, to a certain extent, control development. In order to become competitive, Stren concluded, cities of the South must mobilize support from all levels of government, involve major stakeholders, extend leadership periods and obtain better information.

Participation in Urban Development, María Elena Ducci

There is a lack of policy coordination within cities, whether decentralized or not, observed María Elena Ducci. As private capital is most often directed toward wealthy sectors of a city, development in poor urban areas remains the government's responsibility, fulfilled grudgingly. The private sector is playing a growing role in urban planning. However, the views of citizens have yet to be incorporated into the planning process. The system of participation must be improved to include citizens as well as investors, with mechanisms that allow for progress in spite of mutual distrust and prejudices, concluded Ducci.

Partnerships for Governance, Steven Friedman

In the workshop's discussion of cities, politics has been reduced to a technique or style of governing, noted Steven Friedman. More attention must be given to how city politics can reconstruct the relationship between citizens and government. Government's main function, said Friedman, is to deliver services. While local officials implement reconstruction and development programs under the command of higher levels of government, they know much more about conditions on the ground and should there-

fore have a larger say in policymaking. Friedman advocated a rethinking of public-private partnerships between governments and citizens' groups. In addition, public-public partnerships can offer creative ways to improve the delivery of services; for example, an arrangement by which large utilities deliver services on a regional level in partnership with local government.

Discussion

Participation

In response to the case studies, several questions arose over competing notions of autonomy, the need for transparency, and the place of participation in an urban democracy. Much of the discussion centered on tensions between efficiency and legitimacy as the role of citizens in the governance of megacities was explored. Strong mayors in cities such as Kyiv and Abidjan, while accountable to very few, are able to maneuver around difficult constitutional and budgetary issues, getting the job done.

Several workshop participants noted that it is difficult to encourage participation beyond the local level in mega-cities, particularly when the problems presented do not have quick resolutions. People participate when issues are relevant to their interests and when they believe their involvement will have an impact. Citizens organize and fight on very local terms, identifying with local neighborhoods, rather than as members of an urban or national culture. Few inhabitants of megacities feel a sense of belonging. In many urban settings, citizens, particularly the poor, are preoccupied with daily survival and do not feel responsible for the development of the cities in which they live. Yet in other instances, for example the barrio communities of Manila, people must organize as a survival mechanism. Consensus was found around the fact that participation must begin with small processes that will lead to higher levels.

Workshop participants also identified structural factors that inhibit participation. The local level is able to operate autonomously, while the submetropolitan level has no platform for participation, and metro-level issues are even more unwieldy. In order for participation to occur, there must be a structure that facilitates hearing the popular voice. While some government-initiated participation experiences are exclusionary, other city governments create bureaucratic avenues for participation or work with social movements.

What are the possibilities for replicating local participation at higher levels? Where civil society has withdrawn, communities must create a

more open structure with a freer flow of information. While there might not be a replicable model for participation, successes at the local level might have some sort of demonstration effect on top levels of the governing structure.

Politics: Building Connections Between Citizens and Government
Closely tied to issues of participation and legitimacy is the inability or lack of desire of metropolitan governments to connect to the local level. Case studies reveal a disjuncture between authority at the mayoral level and organization at the ground level, centered around churches, mosques, and local initiatives. Residents of large urban areas often are lost in disorganization caused by a lack of functioning public institutions. One participant noted that cities, particularly in the developing world, function despite the government's existence.

What is the link between the individual and the government? What conceivable purpose could the government serve? One of the most important roles played by government is to mediate between multiple, powerful voices. Since there is bound to be fragmentation in mega-urban regions, political contestation is very important. In the future, metropolises must build platforms for different levels of participation and contestation.

One workshop participant linked the problem to a dark hole between middle theory and action. It is important to begin to work to connect individuals with mid-level action, without falling prey to the iron law of oligarchy. This is not easy, he cautioned, as each situation is highly fluid, and a solution that works once may never work again. However, success in this endeavor would arise from political contestation and competition, achieved by encouraging participation.

Defining Structures and Governance
Workshop participants agreed upon the need to define municipal functions and set standards for analysis in order to develop a clearer concept of urban governance. The gap between formal rules and the informal reality in mega-urban regions further complicates this task. In many cases, cities are still struggling with the legacy of colonialism and the structures it imposed.

In the developed world, one participant explained, democracy is based on two underlying aspects: the creation and maintenance of a tax base, and the rule of law. These critical elements of governance are located at the

local level and define the system in which citizens of these states participate. In developing countries, the rules are sometimes not defined at all, creating a far messier system. Informal politics, which play a significant role in the absence of functioning structures of governance, can be a serious obstacle to participation.

Understanding why a particular set of institutional structures works or not, and whether or not structures that work can be exported remains at the top of the research agenda. One workshop participant defined three roles for governance structures: governance as umpire, governance as rule of law, and governance as peacekeeping.

Decentralization

As globalization has advanced an embrace of market liberalism, governments are shifting away from an interventionist style of governance. States are centralizing power while decentralizing functions. Often, as city-specific case studies reflect, rhetoric and reality can be quite different.

Democratization

Ten years ago, democratic transitions seemed quite hopeful, but now many have gone astray, or promise to take longer than originally forecast. Transition to democracy cannot be regarded as a linear process. It does not always advance as observers expect, even when a prescribed set of processes are implemented. While the definition of consolidated democracy remains unclear, a completed transition is largely dependent upon citizens who can engage in a constructive fight for their rights and for the rights of others vis-à-vis the state.

Transitions have been top-down phenomena, making change at the local level extremely difficult. Grassroots society's attitude towards transition is at best indifferent and at worst, hostile. Those who have not lived in a participatory democracy seek insulation from direct exposure to the government, not direct access. For example, the post-Soviet generation is emerging from a tradition in which participation in any form that was not mandated by the state was out of the question. Reflecting upon Africa's cities, one participant explained that after years of being told not to get involved, a person cannot turn around and begin participating smoothly tomorrow.

The role of culture and history cannot be diminished in understanding the dilemmas of transition. Cities with a strong tradition of local participa-

tion, such as those in China and Vietnam, have had better results in their transitions. Cities that have lacked strong local participatory structures have been forced to create local participation from scratch. In addition to looking at structure and culture, some observed, the character of a transition often depends upon how protest was translated to politics.

While it is tempting to succumb to pessimism in contemplating the future of democracy in many of the cities under discussion, quality of life can lie in the hands of a mayor able to negotiate and manage daily points of conflict. Ultimately, transitions must be thought of in terms of individuals and the differences they make. Rather than focusing on obstacles, the challenge to research is to identify the facilitators of transitional change. What gives people the incentive to participate? How can incentive structures be shifted from private to public mode? Is governance being conceptualized as too remote from the average citizen's life?

Becoming a World-Class City
Administrators in every metropolitan area have dreamt of creating a world-class city, a goal that many felt threatens to derail the democratic project. One participant argued that cities of the South will not progress until they stop chasing dreams of becoming world-class cities. A metropolitan city is a vision defined by much more than economic activity. When a city is perceived solely as an arena of economic exchange, local participation is frequently placed on the back burner in favor of creating a business-friendly environment. Cities that are good for business are not necessarily good for people; businesses are not interested in local populations. Most agreed upon the need to put more emphasis on local capital than foreign capital.

There is a general discomfort with cities as economically aggressive and competitive entities. One participant asked how cities can "stop the world and get off"—in other words, continue to function without making business competition their number one priority? In some mid-size cities, one participant offered, human expression has resulted in this way.

Applying the theory of comparative advantage, cities must rely on local strengths. Cities buy into the competitive model too much, one participant argued, and should perhaps concentrate on other things besides strategic planning. Yet, competitiveness is not only about competition, and planning encompasses much more than economic goal setting. No city

succeeds without collaborative strategies. City governments that wish to be successful must work out arrangements with local business as well as with higher levels of government.

Public finance plays a significant role in shaping the character of a city. Distribution of resources can create disconnects and great differences among sections of a city. While local participation is a way to get one's voice heard, said one participant, all too often a multiplicity of voices cancel each other out. Sources of money going into the system affect how much the popular voice is heard. Similarly NGOs that have been coopted drown out the voice. Another participant added that in some cities of the developing world, there is little distinction between the public and private sectors, both ruled by an agglutinated power elite.

When 80 percent of the population of a city is informal, when they are not part of the official count of citizens and do not contribute to the official economy, then it is very difficult to get a grasp on typical city functions. Whose city are we talking about, asked one participant. What do you do with the people you are not planning for? As there is often more than one city in the same place, making distinctions among groups helps to better define what a city really is.

Social Sustainability
Perhaps the greatest question facing the future of mega-urban regions is one of social sustainability. Megacities are reaching a breaking point. Something has to change or such cities will become unlivable. With ethnic and religious differences, fragmentation along every possible fault line, violence and other attendant negative phenomena becoming more acute, how can mega-cities become socially sustainable? How is it possible to create and maintain normal life in mega-urban regions? There is no firm view on how to avoid these problems as urbanization increases. While there is consensus that cities must grow in an integrated way, there is no normative model for integrated growth as yet. Social science is slow; but we are coming to an increasing understanding of the problems of the evolving city.