New Frontiers in Good Urban Governance

St. George's House, Windsor Castle

Consultation

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Introduction

The scale and complexity of urban problems are intensifying everywhere. The traditional systems of bureaucratic and top-down decision making are now completely inadequate to cope with these challenges. As a result there has been a move towards new governance systems where decision making is shared between all the stakeholders in the city. These new forms of governance are emerging as enabling tools to make our cities more inclusive, safer and healthier places in which to live. Transparency, inclusion and partnership are the watchwords.

Sustainability has become the principle behind current development thinking and good urban governance is perceived as a possible means of achieving it. With its emphasis on political process it seeks to bring civil society and the private sector into the wider political framework. A discussion of values and ethics lies at the heart of the debate as to what constitutes good urban governance.

Corruption is a major limiting factor in a government's capacity to deal effectively with urban problems. It is as prevalent in local government as in central government and it hurts the poor the most. They are offered fewer job opportunities, enjoy less stable prices and are often denied proper education and health care when money is diverted into the wrong people's pockets.

Local government is situated at the crossing point between the traditional vertical axis of power and public administration and the new horizontal axis of partnership between government, private and civil sectors of society. It now finds itself centre stage and is being encouraged to innovate, to be close to its citizens and to develop partnerships. All too often however there is a lack of capacity in local government to actually fulfil the role that many want to allot to it.

The traditional systems of bureaucratic and top-down decision making are now completely inadequate to cope with urban problems. New forms of governance are emerging as enabling tools to make our cities more inclusive, safer and healthier places in which to live.

This Consultation at St. George's House was organised by the Building and Social Housing Foundation to consider the directions for good urban governance in the future. Persons of experience and expertise were brought together from around the world, in order to share and develop ideas as to how to meet this challenge. A clear and simple Agenda for Action has been drawn up as a result of these deliberations and sets out clearly the action to be taken if we are to live in better governed and more inclusive cities.

Contact point information for the organisations referred to in the text can be found **here**.

An Agenda for Action

The deliberations and discussions of the three day consultation were distilled into an Agenda for Action. This identifies key areas of action to be taken in the fields or research, education and awareness raising and putting good urban governance into practice. The following key principles should be used to guide all action:-

- ❑ Recognise that issues affecting quality of life in urban areas are interrelated.

- ❑ Learn from the experience of others.

- ❑ Communicate ideas and information simply.

- ❑ Do not accept existing practices as unchangeable.

Research

- ❑ Identify values and thinking processes that build good urban governance and develop a set of principles that can be adapted for use by local people to meet their own needs.

- ❑ Carry out a thorough analysis of what works and why before recommending good practice.

- ❑ Take care to look at informal systems as well as the formal systems of city management, since much of the existing good practice in making cities sustainable comes from the informal sector.

- ❑ Develop easy to use techniques to improve good governance, such as a matrix format which enables easy identification of where action needs to be taken.

- ❑ Establish a databank of indicators of good governance from which people can select the most appropriate ones to use in their own local circumstances.

Education and awareness raising

- ❑ Bear in mind that most people do not understand what good urban governance is and its benefits need to be emphasised so that people may come to understand what good governance means for themselves.

- ❑ Recognise that people in existing positions of power and influence do not necessarily wish to adopt better forms of urban governance.

- ❑ Encourage every interested citizen to be involved in good urban governance and not just those active community groups and organisations who put themselves forward.

- ❑ Do not assume that people want to participate in community endeavours and recognise that they may need to be persuaded of the benefits and provided with incentives to take part.

- ❑ Package information to suit all levels, using an appropriate scale, frequency and medium.

- ❑ Use all possible networking and campaigning opportunities, including catchphrases and slogans, to galvanise action.

☐ Use new technologies of story telling - film, video and global broadcasting - to communicate some of the success stories about how cities can work and innovative new ways of urban living.

Putting good urban governance into practice

☐ Keep the principles of good governance clear and simple, while realising the complexity required for public and private organisations to work together for the public good.

☐ Accept that there are no universal definitions for good urban governance.

☐ Understand that good urban governance will not solve all urban ills.

Governance by its very nature involves co-operation between all stakeholders in a society and it is therefore impossible to allocate specific actions to any one particular sector of society. Actions have been broadly categorised under the headings of inclusion, transparency and participation.

Inclusion

☐ Recognise that it is necessary to package the good urban governance principles at the local level. Guidelines imposed at the national or international level will have little meaning and probably won't be followed.

☐ Include all appropriate stakeholders, including individuals and community groups, voluntary bodies and faith communities in the decision making process. Pay particular attention to encouraging women and young people to be involved.

☐ Recognise that conflicts with minorities are inevitable and cannot always be solved by compromise. Bringing minorities into the governance process can help mutual understanding on all sides and reduce conflict.

☐ In an information age it is important to ensure that there is equal access to information.

☐ Ensure that excluded groups in society are integrated corporately, not just as individuals, in order to help prevent the political system dividing and ruling.

☐ Encourage a working together among departments and agencies to avoid competence gaps, as well as duplication of activity. Ensure that the methods of funding, auditing and measuring success all serve to foster integration.

Transparency

☐ Ensure that all decisions taken are made in an orderly and open fashion.

☐ Ensure that an independent local government internal audit function is in place, together with an independent and effective ombudsman and complaints department.

☐ Remember that the fight against corruption will be waged most effectively where there is a broad coalition of all those concerned with local government, including central governments and donors.

☐ Provide clear and enforceable guidelines on conduct for elected officials and local government staff.

Participation

☐ Recognise that the capacity to get things done does not rest on the power of government to command or to use its authority.

- Enable groups and individuals to take greater responsibility for their lives and, wherever possible, involve civil society organisations in local government.

- Establish coalitions of organisations and people at the local level to monitor and promote good government.

- Encourage local government and community leaders, the judiciary and the police to support better urban governance and more efficient administration.

- Delegate decision taking to the most appropriate level ensuring, where necessary, training for the decision-makers, to guarantee that decisions are taken as close as possible to where their impact will be felt.

- Strengthen the role of local government by allowing it to raise more of its income locally and have greater responsibility for taking the decisions on how it can be spent.

Good urban governance

What is it and why does it matter?

The concept of governance is complex and controversial. Some see it as essentially concerned with questions of financial accountability and administrative efficiency. Others are more interested in broader political concerns relating to democracy, human rights and participation.

There has been a tendency in the past to see urban governance simply in terms of urban management, i.e. the operation and maintenance of a city's infrastructure and services. It is however a heavily politicised process and not simply a managerial one. Democracy is not the only ingredient of good governance, nor a guarantee that those who are bound by its disciplines will look after the world and the citizens with all due care and attention.

Governance itself is a neutral term. It can be tyrannical or benevolent, effective or incompetent. Good governance is about a desired standard of practice for which common values or norms can be identified.

In its broadest sense good urban governance is the process by which the common good is increased, with a common good being all the things which make up a decent quality of life and good society. The definition used as a guideline by UNCHS (Habitat) is "an efficient and effective response to urban problems by accountable local governments working in partnership with civil society". There are dangers in trying to find one definition which can be used in all circumstances. Governance will vary between places and it changes over time.

Urban governance is more than just the exercise of authority by government. It involves working across boundaries within the public sector as well as between the public, private and community sectors. Partnership and networking are the keys to success. Governance is not the same as government and it is a process rather than a product. It operates at different levels and it is important to develop governance systems at the appropriate layer.

Urban governance is more than just the exercise of authority by government. It involves working across boundaries within the public sector as well as between the public, private and community sectors.

A common mistake is to see good urban governance as a cure for all urban ills. It is a necessary, but not sufficient, condition to achieve increased equity or sustainability. It simply increases the chances of a better outcome than in the absence of governance principles. Good urban governance needs to be seen in context, as part of a general system for running cities, and not as an isolated process.

Good governance is a powerful tool in helping to make cities better places in which to live and work. Not only does it benefit the citizens it also brings benefits to the economies. More specifically it is seen to assist in: -

- ❑ fighting corruption;

- ❑ maintaining democracy;

- ❑ improving the quality of life and life chances for all citizens;

- ❑ providing opportunity for people to manifest their desires and wishes in life;

- ❑ promoting security, equity and sustainability.

The United Nations Centre for Human Settlements has identified good urban governance as a crucial element in making cities better places to live and is launching a Global Campaign for Good Urban Governance to further promote good practice. The Campaign is designed to promote accountable and transparent urban governance, which responds to and benefits all sectors of

society, particularly the urban poor and which also strives to eradicate all forms of exclusion. Its main objective is to influence the climate of world opinion and build the framework for changes in values, behaviour, attitudes and approaches, at the local government level in particular.

The broad aims of good urban governance can be identified as: -

- ❏ to rebuild civil society so that local institutions and societies can be enriched and further promoted;

- ❏ to reduce poverty as well as social, cultural and ethnic exclusion within cities;

- ❏ to involve the maximum number of people and stakeholders in the political process in cities.

The main characteristics of good urban governance have been identified and they fall into the following broad categories: -

- ❏ Sustainability - balancing the social, economic and political needs of present and future generations.

- ❏ Subsidiarity - taking decisions at the appropriate level with clear frameworks for the delegation of authority.

- ❏ Co-operation - developing collaboration between spheres of government and shared competencies.

- ❏ Equality of access in decision making, especially the involvement of women and young people in the process.

- ❏ Efficient delivery of services and local economic development - often this is achieved through the development of good public/private partnerships.

- ❏ Transparency and accountability - this is necessary to minimise corruption in government activities, including predictable and fair regulatory arrangements.

- ❏ Civic engagement and citizenship - identifying ways in which the ethic of civic responsibility can be fostered.

- ❏ Avoidance of conflict and natural disaster.

Global change and the emerging role of good governance

Governments and the private sector have both recognised that the world is changing. National boundaries are being over-run by economic activity, environmental change and technology. The linear, top-down decision-making model is not working any more and the borders between levels of government are no longer relevant. Where an increasing number of economic and social activities can be carried out almost anywhere in the world, particular places have to improve their quality if they are to maintain people and activities. The need to "do something" is recognised, but what should be done? A new form of governance is felt to be needed to cope with the change.

Globalisation is the name often given to sum up this change. It has brought some equality to the economic, social and cultural organisation of society world-wide thorough the liberalisation of trade, markets and access to information flows, but there have been more losers than winners in the process. There is an acute feeling in some parts of society that control mechanisms should and could be set up to balance globalisation. New forms of governance are the main answer proposed. Solutions are being sought to counterbalance market economy mechanisms that appear to be out of control and the burden of initiating these solutions has rested primarily on governments.

A gradual shift in understanding is underway. People are beginning to understand that they are all part of the process of change and that everyday decisions made by individuals are a powerful force for change. There is a move away from a traditional model of hierarchical (mainly political) power to a system where the power is shared and split between a variety of stakeholders (not all political).

Civil society, partnerships, cohesion, feedback and integration are now part of the vocabulary of governing bodies. It is quite clear that governments are not the exclusive guardians of power and it is recognised that opportunities to improve the quality of life are more easily identified at the local level and self-help resources mobilised.

A gradual shift in understanding is taking place. People are beginning to understand that they are all part of the process of change and that everyday decisions made by individuals are a powerful force for change.

The new principle is "to share". The major claims of civil society are based on the fact that there is no exclusivity - in decision-making, in competencies, in managing economic growth, in representation. The decisions have to be transparent and discussed, the competencies have to be shared and the benefits of growth have to be equally distributed.

Only connect

A range of intractable urban problems have served to emphasise the need for good urban governance. Their variety only serves to highlight the fact that the solutions to governance problems will be complex and need to be carefully integrated with other existing policies. In an urbanising world sustainable urban development will depend largely on the management capacity of city authorities and the active participation of its citizens.

Urbanisation and poverty reduction

Urbanisation is one of the key challenges of the opening decades of this new millennium. It is taking place at a rapid rate and it is rarely controllable or controlled by national or city authorities. The quality of urban living is also out of control with many urban areas characterised by unsustainable environmental practices and social exclusion of the poor. Whilst urbanisation is accompanied by increased wealth and opportunity for some, for the majority the reality is a precarious and semi-destitute living. In many cases corruption in city governments reinforces the control of the city in the hands of minority elites.

Social exclusion and marginalisation create and reinforce poverty in urban society. Excluded groups are those who suffer discrimination based on their income level, ethnicity, gender and/or religion. The failure of cities to integrate these excluded groups in their decision making is a function of inertia and bureaucratic, unresponsive and corrupt forms of city government.

As well as presenting a challenge, urbanisation also presents an opportunity. Cities are important engines of economic growth and provide significant economies of scale in the provision of jobs, housing and services. They are important centres of productivity and social development, as well as centres of political activity. Good urban governance is an enabling tool which can be used to ensure that cities carry out their functions effectively.

This breakdown in the quality of urban living is not just due to the fact of increasing urbanisation, but the failure to manage the process of change. This is often due to institutional failure at all levels. There are many instances of the failed nation state which is no longer able to deliver or provide services. Local governments are creaking and groaning, unable to deal with the loads imposed on them.

Just as fundamentally we can see the decay of civil society. The values which are embedded in traditional rural society are not easily translated into urban life and a state of normlessness emerges amongst the urban migrants. These failures are most obvious in cities of the developing world, but can also be seen in the developed world where there are major problems of social exclusion and urban poverty. The pressures of the power of the market and the centralised state have served to exacerbate these problems. Those parts of society which used to be taken for granted - the family, schools, universities and institutions of government are under pressure. These social, economic and technological changes have undermined the authority of the traditional mechanisms for delivering even sensible and popular government.

Values and ethics

Values and ethics lie at the heart of the debate as to what is good urban governance. It is this emphasis upon ethics and values that marks out the most recent wave of popular development thinking. We are increasingly moving into a debate about how people should behave, both those in positions of authority and those being governed.

Many might argue that the definition of good governance was established long ago and the resulting codes of conduct are to be found in such documents as the Bible and the Koran. The United Nations Development Programme has produced its own set of characteristics of good governance and these include:-

- ☐ participatory
- ☐ sustainable

- ❑ legitimate and acceptable

- ❑ transparent

- ❑ promotes equity and equality

- ❑ able to develop resources and methods of governance

- ❑ promotes gender balance

- ❑ tolerates and accepts diverse perspectives

- ❑ able to mobilise resources for social purposes

- ❑ strengthens indigenous mechanisms

- ❑ operates by rule of law

- ❑ efficient and effective in the use of resources

- ❑ engenders and commands respect and trust

- ❑ accountable

- ❑ able to define and take ownership of national solutions

- ❑ enabling and facilitative

- ❑ regulatory rather than controlling

- ❑ able to deal with temporal issues

- ❑ service-oriented

The concept of good leadership is closely linked to that of values and ethics. Where there is good leadership it is much easier to bring about good urban governance. A good leader will have principles of honesty and integrity and will also have vision. He or she will have respect for the citizens, know how to work with them and be able to foster innovation and new directions. Examples of such leaders can be found and the achievements of their cities and citizens have been outstanding, but these cases are the exception rather than the rule. Fostering good urban governance in partnership with the commercial and civil society sectors is one way of improving conditions in an urban area when the political leadership is imperfect or inadequate.

Links with corruption

Corruption involves the abuse of public or corporate office for private gain. It is not specific to any one culture or part of the world. The reluctance to tolerate it is becoming more widespread. Corruption in the public services and the higher level corruption associated with contracts and investment projects leads to waste and misuse of development resources. Corruption at the local level undermines the delivery of basic services to citizens as well as efforts to make democracy effective. Corruption hurts the poor the most - they are offered fewer job opportunities, enjoy less stable prices and are often denied proper education and health care when public money is diverted into the wrong people's pockets. Corruption also lowers the tax base, thus providing fewer funds for distribution.

The fight against corruption is not easily won. It requires constant vigilance, plus a great deal of work at all levels of society.

The weakness of many central government institutions and the pressure to improve local services and respond to needs at the local level have led many countries to pursue policies of

decentralisation and give more responsibilities to local government. Responsive, accountable, transparent and effective local government is a goal that many citizens now demand. In many countries however this has been a difficult goal to achieve and, sometimes local government can be more corrupt than central government.

The tools to be used to improve urban governance are very simple and can be found in any well-run city. They include codes of conduct for elected officials and senior staff, independent ombudsmen, an office for complaints, regular bi-weekly broadcasts by the mayor, call-in sessions for people to ask questions and an independent auditing function. As well as the tools to address corruption, it is also important for local organisations or local governments to be able to monitor and diagnose it. The mass media have a critical role here in helping to shed light in shady areas. Independence of control by press barons, multi-national companies or politicians is crucial if they are to do this.

Corruption is not an external factor which can be isolated and eradicated. Rather, it is embedded within the individual political and economic systems, both nationally and locally, and its precise effects will depend on how these systems work.

Transparency International (TI) is an international NGO which seeks to eradicate corruption. At the international level it seeks to put in place international conventions against corruption. At the local level it is involved with the eradication of corruption in local government. Its strength is in its local organisations or chapters in each country, of which there are almost seventy world-wide.

Although corruption is a global problem it does not follow that it has the same origins, form and effects everywhere. It is not an external factor which can be isolated and eradicated. Rather, it is embedded within the individual political and economic systems, both nationally and locally, and its precise effects will depend on how these systems work.

The approaches used by the local TI chapters in the different countries vary, but their main aim is to focus attention on the issue of corruption and get it into the light of day. These approaches include:-

- ❑ promoting transparency through better communication such as town meetings;

- ❑ promoting accountability of local governments through monitoring of activities by coalitions of partners;

- ❑ working directly with local governments on important corruption issues;

- ❑ developing standards of conduct of operations;

- ❑ asking people to sign agreements that they will not offer or accept bribes;

- ❑ finding out how citizens think about the local services and levels of corruption in their city;

- ❑ integrating local government into a national integrity strategy, in order to get different levels of government to work together on the issues.

Although leadership is important in establishing good urban governance it is necessary to have checks and balances to ensure that it is kept under control. Systems unfettered by checks and balances create opportunities for corruption and control systems are needed to balance it. Coalitions of organisations and people at the local level are essential in order to monitor and promote good government. Transparency International is one such organisation that is helping to do this work. The problems for many countries and cities is that they do not have good leadership and it then becomes necessary to work out how to manage in its absence.

Transportation and housing

Factors affecting the quality of life in cities are closely interrelated. For example air quality affects health, health affects welfare, welfare affects education, education affects economic activity and economic activity affects air quality. The mechanisms involved in good urban governance should ensure that the benefits in one of the fields should permeate to the others.

Society is increasingly becoming a "me" society. This creates problems of governance since it creates conflicts between individuals. The "me" society is exemplified by the extension of the "me" which is the car. The car is responsible for pollution, accidents and congestion. It has fostered urban sprawl that has been the cause of the disruption of neighbourhoods. Road traffic currently accounts for one quarter, and will soon be responsible for one third, of the greenhouse effect. In the OECD countries the vehicle kilometres travelled have increased five times faster than the population (65 per cent compared to 13 per cent) in the last fifteen years.

Urban sprawl is one of the reasons that participation is declining at the neighbourhood level. Housing is dislocated from an easily identifiable centre and there is no clear identity with the wider region. The doughnut effect in North American cities has led to the loss of a sense of place, as the city is constantly leapfrogging over its periphery and spreading into new areas of countryside.

Since road transport accounts for one third of the urban pollution problem, it can provide one third of the solution. City authorities that are promoting an alternative to the car are making their cities more inclusive, as well as cleaner and safer. They enable easier access for all citizens to the city's facilities and job opportunities. The cities of Manchester (UK), Curitiba (Brazil) Copenhagen (Denmark) and Zurich (Switzerland) all offer examples of how cities can improve the governance of their cities with innovative public transportation systems.

Human society is characterised primarily by a notion of territory - a sense of ownership over a particular place or location, and a readiness and willingness to wage war and violence to acquire or defend these places. Thus the possession of a home, or the lack of it, is regarded as a direct reflection of the person's status as a member of society. A person without a home is regarded as someone outside society. The aim of facilitating the provision of shelter for all its people enables a government to do something which generates a virtuous cycle of sustainability. It can connect every sector of the government machinery as well as encouraging the active participation and involvement of the entire citizenry.

Increasingly compact urban living is likely to be the scenario for most of the population in the developing world. If carefully carried out, as in the case of many Asian cities, this can offer an opportunity for improved forms of urban living and city governance. Urban compaction can foster greater diversity, vitality, liveability and attractiveness. It encourages accessibility and mobility on foot and reduces dependence on private cars with the consequence that streets are lively and safer. Compact cities are also more sustainable since the city is more easily viewed as an ecosystem and its ecology can be taken into account in the city planning process.

Transition to improved governance

The emerging forms of governance need to recognise that the social and economic structures of our society are in transition. How should, or can, government conduct itself in this new age? New approaches and systems will be needed and government should seek to be able to:-

- share information in an age when information is powerful;

- make alliances and partnerships, recognising that no one organisation can do everything by itself;

- have less direct control to allow greater flexibility of action by other organisations;

- seek to reduce dependency on government structures and support;

- learn how to handle new technology and ensure that others understand it also.

An assumption that needs to be questioned in many countries is that people come into politics and government to do good. In many countries this is rarely the case. Nor can it be assumed that the structure of government is designed to do good. In many cases it was imposed by a colonial government in order to pacify the natives while resources were extracted, rather than to supply services for the benefit of the citizens. For most people in developing countries government is something relatively distant. Stealing from the government is seen as legitimate and stealing by officials is also accepted.

The question of transition to a better form of governance is difficult. In developed countries regulations are established as a consequence of discussion or debate and then these are institutionalised as a piece of legislation. In developing countries the common practice is for western regulations to be adopted wholesale, whether or not they are applicable to the conditions and culture. It is not surprising that many people do not see why they should obey these regulations. The best institutions of government are those which model those ones created by people themselves and not those imposed by external parties.

Local government and governance

Local government has a special role to play in good urban governance since it is the democratic level closest to the citizen. Governance solutions are rightly felt to belong to the local level and so, after years of being sidelined and ignored, local government now finds itself at centre stage. It is being encouraged to innovate, to be close to the citizens and to develop partnerships. The key challenges that local government now faces include: --

- meeting the demand for increased transparency and participation from citizens;

- modernising its administration and services;

- fitting into other levels of governance;

- dealing with the new technology and taking advantage of its benefits.

Frequently there is a lack of capacity in local government to actually fulfil the role that many want to allot to it. This is due to the fact that, firstly, there has often been a capture by

self-interested

elites in the same way that national governments have been captured. Secondly, local government is the victim of a bureaucratic management approach which is hierarchical, highly compartmentalised and inflexible. It is neither need nor demand responsive. The poor and excluded do not get a look in.

Local government is situated at the crossing point between the traditional vertical axis of power i.e. national, regional and local government, which is still the backbone of public administration in most countries and the new horizontal axis of partnership between several spheres involving the public and private sectors and civil society.

Local government needs to define its role clearly. Is its role to govern or to provide services? Should there be civil or political leadership?

Partnership with the private sector and the voluntary sector will form an increasingly important part of local government's activities in the future as services are increasingly being provided by these sectors. Local government will thus have primarily an oversight rather than provision role in many instances. It may be necessary to keep some institutions in public ownership (e.g. the police service), however if checks and balances are provided on private sector operations they may well be able to bring substantial benefits in terms of an efficient business culture to service provision. Accessibility should remain paramount and part of the local government role will be to ensure that it does.

If local government is to be able to meet these challenges it needs to:-

- ❑   be aware of the changes and understand their meaning;

- ❑   adapt its organisation to meet the new requirements of encouraging participation of the citizens, as well as using the new information technologies to their best advantage;

- ❑   provide a clear organisational framework to ensure control on the service delivery and guarantee equal access for all citizens;

- ❑   establish financial autonomy by ensuring that the necessary financial resources are available to fulfil the new role. Also to create new financial arrangements, often through pooling budgets and resources;

- ❑   develop tools to assess its policies, as well as the functioning of the partnership and consultation mechanisms.

Implementing new forms of governance is clearly a complex process. The major transition from traditional, centralised, rule-book administration to good, responsive, flexible and decentralised government will not happen overnight. The huge efforts of recent years and the limited success so far show how difficult the process is. The choices made by local governments will affect whether or not they play a central or peripheral role in the governance of their locality.

One key issue of governance is to decide on the rules to regulate the change and then to ensure their implementation and integration with existing systems. Inevitably there are many things that can go wrong. Governance issues are not simple and need clear rules of procedure to develop successfully. A brief summary is set out below of how the bureaucratic process can distort or prevent change towards a better form of urban governance.

Building community as a way towards good governance

Governments are not the only organisations to take decisions that can bring about improvements in people's lives. In many cases it is now other institutions, be they in the

private sector or civil society, that are in a better position to bring about such changes in people's quality of life. Within civil society voluntary sector organisations and faith communities serve as both service providers and as organisations able to represent communities and to challenge political authorities. It is the combined activities of the three sectors of government, civil society and the private sector that are responsible for what actually happens on the ground. To bring about effective change, all three sectors have to be involved in the process of governance.

Community based development is one of the ways of making the transition to a situation of good urban governance more acceptable. Community based projects bring the whole notion of governance very close to hand, as they provide people with first hand practical experience of governance. For many people it is the first time that they have been consulted about what they want to do.

Community based projects are also a very good way of bringing people together with government. They provide an opportunity to build a process of dialogue and communication and have an understanding of how the other side thinks. Their aims and objectives are virtually the same as those established by the UNDP as the characterising features of good governance.

Feature of good governance	What can go wrong?	Possible solutions
The end of the simple top-down hierarchical structure of government.	One stakeholder monopolises the decision-making process and centralises it, re-creating a hierarchy.	• Partnership and a networking structure. • Reallocation of resources and responsibilities.
Several stakeholders can take a leadership role.	Preliminary discussions lead to a minimum consensus and to no strategic decision.	• Co-ordination. • Collegiality. • Framework agreements.
An equal participation of all stakeholders.	The best-organised group will compete for representation and exclude the under-organised ones.	• Assessment of representivity and accreditation procedures. • Referenda and consultation after decisions are taken to ensure representation.
The needs and wishes of different stakeholders are integrated when designing policy.	Those who do not recognise themselves in the final decision do not apply it and contest it.	• Common values. • Transparency. • Contractual frameworks.
Common decision taking leads to joint responsibilities in implementation.	The decisions taken will not be implemented to avoid bearing the responsibility.	• Clear codes of conduct for all the partners. • Accountability (personal as well as organisational).
Decisions have to be respected and implemented.	None of the bodies involved has the capacity to enforce the decisions or to regulate disputes.	• Regulatory bodies. • Mediation
Policy implementation is assessed as well as results to allow feedback mechanisms in decision-making.	There is no continuum in policy making and no learning mechanisms.	• Continuous improvement and assessment methods

Community based projects are concerned to create social as well as physical communities. All too often it is assumed that just because people live together they have interests in common, especially in urban areas where people are moving in and out. It is necessary to look at communities in detail and to identify sub-communities and their needs.

Variations will occur in the age, gender, income, locality and ethnicity (AGILE) of a community and these need to be understood if its needs are to be correctly identified.

There are limitations to community based projects. By their very nature they are restricted in their locality and subject and the lessons learned may not be continued into the future. They are also donor-driven. It is always assumed that donors act from the best of intentions but this is not necessarily always the case and they certainly have a wide range of agendas and different ways of operating.

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Tools and indicators for good urban governance

The aims of good urban governance have to be put into effect by actions or tools and these are summarised in the table below. Not all tools are appropriate at all levels of governance. A matrix can also be produced to give a greater understanding of how governance can be implemented. All stakeholders can be placed on one axis and the various systems of governance on the other. The appropriate tools can then be slotted into the matrix. Only some of the stakeholders will be involved in each project but the matrix allows an overview of the governance systems that are being put into place and to focus on tools and objectives.

Whether or not you can measure good urban governance is another question. A wide range of indicators have been established to measure governance. Inevitably they are proxies for what really needs to be measured. Responsibility and participation for example are not easy to define and it is even harder to define meaningful indicators. They do however provide evidence of current practice and are important in providing opportunities for oversight and accountability.

Aim	Tool
Greater local participation and involvement	- promotion of city identity and a sense of citizenship for all; - public meetings, participatory planning and budgeting; - city referenda and public petitioning; - better democratic structures and culture; - promotion of a strong voluntary sector; - involvement of marginalised groups in the city systems.
Efficient urban management	- taking account of all interests in promoting efficiency and better services; - good labour relations; - efficient investment in infrastructure; - delegation of decision taking to the lowest appropriate level; - collaboration and partnerships, rather than competition; - appropriate training to improve capacity of city officials; - using information technology to best advantage; - environmental planning and management carried out in co-operation with the citizens; - disaster preparedness and crime control for safer environments.

Accountability/ transparency	● monitoring of government and NGO activities by coalitions of outside organisations; ● rigorous accounting procedures for all expenditure of government money, both by government and NGOs; ● clear guidelines on conduct for leaders and officials that are enforced; ● open procurement and contracting systems; ● transparency in financial arrangements; ● disclosure of information; ● fair and predictable regulatory frameworks; ● independent and accessible complaints procedures; ● regular flow of information on key issues; ● a wide range of suppliers.
Accessibility	● regular and structured consultation with representative bodies from all sectors of society ● including individuals in the decision making processes ● access to government by all individuals and organisations ● access to economic opportunity ● protection of the rights of all groups

Since governance is an evolving process, it is difficult to set up permanent indicators. This is both because it is difficult to assess a process and because the process itself is not static.

Indicators need to be used cautiously and circumspectly. Careful interpretation is needed for the specific conditions in which they are used. Evaluation must be done in the long-term. Simply because a new reform has succeeded and worked for five years, it does not necessarily mean that this approach will be good in the longer term. It also needs to be examined more broadly than simply the local governance context.

Sources of further information

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The Global Campaign on Urban Governance

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Building and Social Housing Foundation

The Building and Social Housing Foundation is a research institute based in Coalville, Leicestershire. It is an independent research body which gained its financial endowment from a building organisation formed by a group of homeless and penniless ex-servicemen just after World War Two. The Foundation carries out research into all aspects of housing, concerning itself with the immediate and practical problems of housing today, as well as attempting to look to the future in a progressive and imaginative way. Of particular interest is the need to identify solutions rather than problems. In all its work it aims to avoid bureaucracy, eliminate the waste of resources and encourage self-help and self-reliance.

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