



FINANCING METROPOLITAN GOVERNMENTS *in* DEVELOPING COUNTRIES

Edited by

ROY W. BAHL, JOHANNES F. LINN, AND DEBORAH L. WETZEL



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INSTITUTIONS AND POLITICS OF METROPOLITAN MANAGEMENT

5

INDER SUD AND SERDAR YILMAZ

As discussed in chapter 2, metropolitan cities play a vital role in economic development. In most Organisation of Economic Co-operation and Development member countries and in the dynamic emerging economies, they account for a significant share of gross domestic product and jobs and have higher labor productivity, economic growth rates, and incomes compared with national averages. Metropolitan cities benefit from a diversified economic base, strong innovative capacity, and a high level of skill among residents. While agglomeration economies may initially drive the growth of metropolitan cities, sustaining the comparative advantage of cities as the engines of growth requires that they provide adequate infrastructure and a business-friendly regulatory environment to maintain their competitiveness as attractive destinations for private investment. In an era of growing mobility of skilled and specialized workers, both within and across national borders, the metropolitan cities must also provide a good quality of life that attracts an educated and skilled workforce. Finally, metropolitan cities must deal with problems of exclusion and poverty that tend to accompany growth.

However, few cities in the developing world are able to discharge all these functions effectively. Infrastructure deficiencies are evident in most of the metropolitan cities, and few have been able to deal with the issues of social equity as evidenced by the continued prevalence and even growth of slums and squatter settlements (see chapter 14).

A lack of financial resources is cited by most city managers in developing countries as the principal cause of the unsatisfactory state of affairs, and this is certainly an important factor, as discussed elsewhere in this book. However, inadequate finance is only a part of the story. An even more important factor is weakness in metropolitan institutions that are unable to mobilize the necessary resources or to plan and deliver services effectively to the growing population.

In many countries, the institutional weaknesses of local governments, including those of high-population metropolitan cities, stem from the legal/regulatory environment. Only a handful of countries specifically recognize local governments in their constitutions as organs of governance, and even there, how they should function has not been specified.¹ In most cases, the local governance structure has developed by trial and error, largely through laws and regulations passed by the higher levels of government. Several developing countries have also undertaken reforms in recent years aimed at defining the functions and powers of local governments. While many such efforts emphasize efficiency as the ultimate goal, the increasing voice of the people is becoming an equally important objective in most countries. This chapter draws on the experiences of 11 large metropolitan cities to suggest possible directions in the development of metropolitan institutions in developing countries.

The institutional design for effective metropolitan management rests on three interrelated and mutually reinforcing pillars: autonomy of action; accountability for performance; and capacity to perform the functions. The autonomy of action is largely determined by a city government's charter that defines its powers vis-à-vis the higher level(s) of government. Capacity of the city government is determined by its legislative and management structure and how the two are related. Accountability is determined by the nature of the city-central relations (upward accountability) and the voice the citizens have in the functioning of the city and in demanding performance (downward accountability).

CENTRAL-CITY RELATIONSHIP: HOW MUCH AUTONOMY?

There is wide agreement that cities can perform their functions effectively only if they are given substantial autonomy in managing their affairs: planning, mobilizing, and allocating resources and procuring goods and services. This is based on the theory that the closer the government is to the people, the better it works (Stigler 1957). This assertion has been increasingly borne out by experiences in many industrialized countries, where local governments now enjoy substantial autonomy, albeit with considerable variation in the specific functions assigned to the local government, the financing mechanisms for services, and the legal framework underpinning roles and responsibilities (Shah 2006a).

In terms of functions, cities in virtually all industrialized countries are responsible for providing what Shah (2006b) terms "property-oriented" services, such as water, drainage, transport, garbage collection, environment protection, and land use planning. In many industrialized countries (e.g., Nordic countries, Canada, and the United States), cities also provide many people-oriented services, such as education, health, and social welfare, even though funding sources can vary, with largely local funding at one extreme (Nordic countries), virtually totally central government funding at the other (Australia), and a mixture of local and state/federal in between (Canada, the United Kingdom, and the United States). However, cities are allowed considerable leeway in revenue mobilization from local sources to meet

¹South Africa and Turkey are notable exceptions among developing countries.

their assigned functions. As noted in chapter 6, cities in industrialized countries meet on average about 70 percent of their expenditure needs from local taxes and fees.

In terms of the legal framework underpinning the assignment of powers and responsibilities to cities, in the industrialized countries cities enjoy a large degree of autonomy in managing their affairs. However, variations derive from national constitutions (Denmark, France, Germany, The Netherlands) or national legislation (New Zealand, United Kingdom) in unitary states and from state constitutions (United States, Australia, Switzerland) or state legislation (Canada) in federal states. Although legal frameworks specify the regulatory and oversight roles of the higher levels of government, there are periodic disputes regarding authority of higher-level government in local affairs, particularly in what the local governments consider unfunded mandates.

However, city governments in many developing countries still play a relatively small role in people's lives. The assignment of functions to local governments in most developing countries is still limited, with many essential functions performed *de facto* or *de jure* by national/state governments. Lack of capacity, both financial and managerial, is often the reason cited for this limited assignment, although as discussed later, weak capacity is just as much linked to the limited assignment of functions and powers. Table 5.1 presents an overview of assignment of functions in the 11 large metropolitan cities in developing countries selected for this chapter.

In terms of raising revenues, there are relatively few areas where local governments are allowed to operate autonomously. They are generally allowed quite limited autonomy in mobilizing revenues. Higher-level government often decides not only the types of permissible local taxes (which is appropriate for reasons of economic efficiency) but also the rates, levels, and collection methods. The expenditure authority of local governments is similarly highly circumscribed: they are often required to seek approval from higher levels for most contracting of any significant value.

Intergovernmental transfers, the main source of local government revenue, invariably take the form of conditional earmarked grants rather than budget transfers over which local governments have planning and expenditure jurisdiction. Table 5.2 presents an overview of revenue and expenditure autonomy for the same 11 large metropolitan cities.

Other forms of central control commonly include approval of senior staff appointments; reserving senior positions in the city government for appointees from the central government; setting salary levels for city governments; budgets; land use plans; performance standards; and external audit. While many such requirements are justifiable to minimize the risk to public resources, the issues are often the degree of control, the manner in which they are exercised, and whether the control function is within the capacity of the higher level of government itself. For example, central approval of budgets in Kenya can take time, sometimes many months, and sometimes are given only after the end of the financial year (Lewa and Devas 2004). In Ghana, central appointment of the district chief executive is often a cause of political conflict and undermines local accountability. Centrally appointed staff

TABLE 5.1

Service delivery responsibilities of select metropolitan city governments

Function	City										
	Istanbul	Jakarta	Manila	São Paulo	Buenos Aires	Bogotá	Mumbai*	Addis Ababa	Dar es Salaam	Kampala	Johannesburg**
Transportation											
Roads: arterials	M	M	N, M	M, C	N, M	S, M	P, R, C	R, Z, C	M	N, M	C
Roads: streets	C	M	C	M, C	M, C	M, C	C	R, Z, C	M, C	M	C
Public transportation	M	N, M	private	M, C	M	M	N, P, C	M	M	M	C
City services											
Water and sewerage	M	M	private	M, C	M, C	M, C	C, RP	M	M	M	C
Waste collection and disposal	M, C	M	M, C	M, C	M, C	M, C	P, C	M	N, M	M	C
Electricity distribution	private	N	private	N/A	private	N/A	P, C, private	R, Z, C	N, M	M	C
Social services											
Primary education	N	M	N	M, C	C	C	C, private	M	M	M	P, N
Secondary education	N	M	N	P	C	C	C, private	R	N, M	M	P, N
Housing	N/A	N, M	N, C	P, M, C	C	C	P, RP, private	R, Z, C	M	N/A	C
Public health	N	N, M	N	P, M	C	M, C	C, P	R, Z, C	N, M	M	C
Hospitals	N	N, M	N, C	P, M	C	M, C	C, private	R, Z	N, M	N, M	P, N
Social welfare	N	N, M	N	P, M, C	N, C	N/A	C, P	R, Z, C	N, M	M	C
Other services											
Fire protection	M	M	C	M, C	C	M, C	C	M	M	M	C
Police	N	N, R, M	N	P	N, C	M	P	N, R	N, M	M	C, N

Abbreviations: C, city government; M, metropolitan government; N, national government; N/A, not applicable; P, provincial/state government (for federal countries); R, regional government; Z, zone (for Ethiopia).

*In Mumbai, metropolitan-wide bodies and parastatals undertake major service functions, but these are essentially arms of the state government. There is no metro-regional government concept.

**Johannesburg has a single-tier local government for the metropolitan area. The constitution defines several functions as shared among different levels, responsibilities as they exist in practice are depicted here.

often becomes a point of contention with the local elected officials, as in Kenya and India, because they are seen as serving not local interests but those of politicians in the center. There is an inherent tension between local autonomy and central control, and a reasonable balance must be struck between local autonomy and the need for supervision. What is often overlooked in rule making is the limited capacity of the central government to supervise, resulting in a web of rules and regulations that are ineffective in practice or, worse, obstacles to good local governance. The absence of a well-conceived legal framework that governs the central-local relationship adds uncertainty in the relationship and is another factor inhibiting local initiative.

Recent years have seen some progress at least in middle-income countries in devolving greater powers to city governments. Brazil and Argentina had been moving toward increasing decentralization as a part of their transition to democracy in the 1980s and 1990s, but the fiscal autonomy of local governments was curtailed considerably in the late 1990s with the onset of the financial crisis. China devolved functions very aggressively, particularly to the larger cities that it considered drivers of economic growth, at the beginning of its economic reform and the opening up of the economy; however, fiscal autonomy still remains weak. South Africa has been undertaking a major realignment in the functions among its three “spheres” of government that places much greater emphasis on municipalities. India adopted a constitutional amendment in 1994 requiring the states to devolve powers to local urban governments, although in practice the states have generally been very slow to implement the amendment. Indonesia embarked on far-reaching reforms under the new constitution adopted in 2001 whereby cities were granted significant leeway in local taxation and expenditure autonomy both for own-source revenues and for transfers from the central government.

CITY GOVERNMENT INSTITUTIONS

All city governments have three constituent parts: the legislature, most commonly referred to as the city council; the executive responsible for the day-to-day running of city functions; and the bureaucracy. However, the division of functions and relationships among these three parts vary among major cities in the world and define different forms of city government. The variations result from history, tradition, and the system of government at the national level.

The City Council

Most major cities have a council composed of representatives elected by the people. City councils have always been considered an important part of representative democracy, but their importance has grown even more in recent years as the government “closest to citizens.” Most theories of representative democracy emphasize the role of elected laymen both in the representation of citizens and in the decision-making process (Berg and Rao 2005). The extent and type of elected representatives’ involvement in local affairs depend on the design of the electoral system and the form of government chosen, which in turn defines the relationship between the council and the executive.

TABLE 5.2

Local government revenue and expenditure autonomy in select metropolitan cities

	Istanbul			Jakarta*			Manila			São Paulo			Buenos Aires		
Revenue Mobilization Authority of LG (1)															
Control over:	R	B	C	R	B	C	R	B	C	R	B	C	R	B	C
Property tax	○	⊙	●	⊙	○	⊙	●	●	●	●	●	●	●	●	●
Taxes on vehicles	○	○	○	●	●	●	○	○	○	⊙	⊙	⊙	●	●	●
Fees	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
User charges for services	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Expenditure Authority															
Control over expenditures from own revenue (2)		●			●			●			●			●	
Control over expenditures from intergovernmental transfers		●			⊙			●			●			●	
Intergovernmental Transfers															
Distributable pool (3)		F			F			F			F			F	
Distribution across local governments (4)		F			F			F			F			F	
Purpose of transfers (5)		UCBG			UCBG, CEG			UCBG			UCBG			UCBG	
Management of transfer system (6)		○			○			○			○			○	
Do local governments have discretion to borrow? (7)	International:○ Domestic: ●				⊙			●***			⊙			⊙	

Abbreviations: AH, ad hoc; B, base setting; C, collection; CEG, conditional earmarked grant; F, formula based; R, rate setting; UCBG, unconditional block grant.

Symbols indicate control: ● = Full control of the local government ○ = No control of the local government ⊙ = Partial control.

*The property tax is in the process of devolution to the local government level in Jakarta, which will have full authority over base setting, collection, and, up to a limit, the rate-setting discretion to borrow. Bond issuance is currently being piloting.

**In theory, Mumbai has control over setting rates, but in practice the state exercises considerable control through its approval powers.

***Local government units have the power to undertake loans and borrowing subject to a statutory debt limit (annual debt service cannot exceed 20 percent of income)

There are two main forms of election of councilors: proportional representation and majoritarian or first-past-the-post systems. In the proportional representation family of electoral systems, seats are shared in rough proportion with votes gained by each party, whereas a majoritarian electoral system is based on a “winner-take-all” principle. The proportional representation system favors small and marginalized groups being represented in the council.² In majoritarian systems with single-

²In other words, the objective of a proportional representational system is to form a legislative assembly with each group of voters represented, in proportion to their number in the polity at large, by a party or person who shares their ideology.

Bogotá			Mumbai**			Addis Ababa			Dar es Salaam			Kampala			Johannesburg		
R	B	C	R	B	C	R	B	C	R	B	C	R	B	C	R	B	C
●	●	●	⊙	⊙	●	●	●	●	⊙	○	⊙	⊙	○	●	●	○	●
●	●	●	○	○	⊙	○	○	○	⊙	○	○	○	○	○	○	○	●
●	●	●	⊙	⊙	●	●	●	●	⊙	○	⊙	⊙	○	●	●	●	●
●	●	●	⊙	●	●	●	●	●	⊙	○	⊙	⊙	○	●	●	●	●
●			●			●			⊙			⊙			●		
●			⊙			⊙			⊙			⊙			●		
F			F, AH			F			F			F, AH			F		
F			AH			F			F			F, AH			F		
UCBG			UCBG, CEG			CEG, UCBG			CEG, UCBG			CEG, UCBG			UCBG		
○			○			⊙			⊙			⊙			⊙		
⊙			⊙			⊙			⊙			⊙			●***		

member districts, only two parties will emerge as major parties. That is why the majoritarian system is also sometimes called the *two-party system*. Table 5.3 describes different electoral arrangements and presents country examples.

Some countries have tried to take politics out of local elections in order to improve their efficiency. They require local elections to be nonpartisan on the theory that party politics are more appropriate for national/state level issues and not relevant to the local needs. However, in many cases this restriction is impossible to enforce, as in Kerala, India, where independent candidates for local bodies in practice tend to have a known party affiliation (Venugopal and Yilmaz 2009). Similarly, in Ghana, although district assembly elections are supposed to be nonpartisan, in reality local governments are not free from partisan politics (Yilmaz 2009).

In other countries, party affiliation is integral to the system of government at all levels. In these cases, national politics tend to intrude into local elections, thus diffusing the focus away from local governance. In South Africa, for example, the hegemonic African National Congress controls local politics and local politicians.

TABLE 5.3
Institutional electoral arrangements for local council

Electoral arrangement	Main characteristics	Benefits	Risks	Example countries
Proportional representation	Voters generally vote for a party rather than a specific candidate. Electoral districts have multiple representatives. The share of votes received by a party is translated by a fixed formula into the number of seats to be held by that party.	This system is more inclusive of minorities and women candidates compared with majoritarian systems.	Independent candidates with no political affiliation can become marginalized. Accountability can be compromised for representation.	South Africa, Indonesia, Turkey, Germany, Sweden, Burkina Faso, Ethiopia, Guinea
Majoritarian (first-past-the-post)	Election through single-member districts through plurality votes. The person with the highest number of votes is declared the councilor, representing his or her ward.	Voters have clearer understanding of the individual they are voting for, which leads to better accountability.	Minority candidates may not be electorally represented.	United Kingdom, Canada, United States, Uganda, Tanzania, Pakistan
Mixed systems	Mixture of proportional representation and nomination of district representatives.	This system may guarantee territorial representation. It creates a transition between the other two established systems (proportional representation and majoritarian).	This system may create confusion in representation of district candidates.	Rwanda, Angola

SOURCE: World Bank (2009).

The City Executive

Most cities have a mayor or equivalent, elected either directly by the citizens or from within the city council, who leads the executive branch of the government. But the extent of the mayor's power and influence, and thus role in running the city, varies widely depending on the different institutional arrangements for, and the extent of, the separation of powers between the council and the executive. This in turn determines the relationship of the two branches of government with the citizens. For example, if the executive is also the chairman of the city council, the division of authority is blurred. This is usually the case in parliamentary systems, as opposed to presidential systems, where the executive branch is completely independent of the legislative branch. In a parliamentary system, the extent of authority of the council chairman relative to the council determines, to a significant extent, the responsiveness and representation of the local government. Similarly, if the executive is appointed rather than elected, the political representativeness and responsiveness are compromised.

There are at least four models of city governance practiced around the world, ranging from the council exercising the most powers at one end of the spectrum and the all-powerful mayor at the other, with shared functions between the two. Table 5.4 provides an overview of the four models, their strengths and weaknesses, and examples of some countries that follow each particular model.

COUNCIL AS EXECUTIVE

Sometimes referred to as the "weak mayor" or "strong council" form of government, this is the earliest form of city government. The council elects a mayor from among their ranks, but only as the nominal chief executive. The city council (and, in some U.S. cities, other elected officials such as the city clerk or city auditor) also hold substantial power. The council designates specific members and/or committees of members to run and oversee specific city functions. The council performs all executive functions, including administration and budgeting. The role of the mayor is largely ceremonial and limited to presiding over the meetings of the council and, in some cases, being the "face of the city government" to outsiders.

This model has evolved from the earliest days of postimperial/postcolonial governments when small communities organized themselves to run their affairs. A great premium was placed on local control, in part as a reaction against centralized power. As the representatives of the people, the executives were considered as having the most intimate knowledge of the needs of the citizens to whom they were responsible and accountable. The system works reasonably well in small, homogeneous cities where people are in general agreement and do not expect a lot from the government. But the system comes under strain as cities grow in size. The informal, personal contacts that underlie the council-executive model no longer function in big cities, where social relations tend to be formal and impersonal. City growth also brings bigger and more complex problems that require much more technical expertise than the council typically possesses and that a leaderless, fragmented government is not best equipped to provide. Governance of larger cities also needs more formal checks and balances that the model does not provide. More generally,

TABLE 5.4
Topologies of city governance models

Institutional mechanism	Main characteristics	Benefits	Risks	Example countries
Council as the executive form	The election of a mayor by the council, usually from council members.	District council can have sanction power in case of misconduct.	Local governments cannot implement sound policy decisions.	Rwanda, Guinea, Burkina Faso, Angola, India (Kerala), Tanzania, Indonesia
Council-city manager	The council appoints and contracts with a politically neutral administrator to run and manage the city.	The strong political leadership of elected officials is combined with the strong managerial experience of an appointed administrator. Such an arrangement can preclude politically motivated patronage.	High-level capacity is required among members of government to institute such a mechanism.	Canada, Australia, The Netherlands, New Zealand
Leader and council cabinet (parliamentary system)	The commissioners are both legislators and department chairs.	All have equal powers, even though one commissioner may have the title of mayor.	The system may violate the principle of separation of powers.	United Kingdom, India
Mayor as executive	The mayor decides public policy and has a strong symbolic role in representing the locality.	The mayor can undertake swift public policy measures.	Local councils are often marginalized.	Cote d'Ivoire, Uganda (until 2008), Pakistan, Philippines, Ethiopia

SOURCE: World Bank (2009).

councils can often be “debating chambers,” which are not able to implement sound policy decisions (Lankina 2008).

For all these reasons, the council-executive form of government is not well suited to managing metropolitan cities, and most industrialized countries have moved away from it in recent years. Denmark, however, stands out as an exception to this trend and has actually been moving back to the model, even for its largest city, Copenhagen. The Danish approach is driven by the goal of weakening the position and influence of political leaders and increasing the power of the councils that it considers much more representative of, and responsive to, the needs of the citizens (Berg 2005).

COUNCIL-CITY MANAGER FORM

One of the early reforms of city governments was to infuse greater professionalism in the management of various city functions. There was a recognition that the business of local government is to provide basic services of a technical nature and should therefore not be political. This led many cities to adopt the council-city manager form of government. Under this system, the political element of the system, the city council, appoints a qualified individual as the city manager, who is responsible for all day-to-day functions of running the city and exercises most executive powers, with the council providing policy guidance and supervision. As in the council-as-executive model, the mayor is normally elected from among the members of the council (in the United Kingdom the mayor can be elected) and has limited powers, similar to the council-as-executive form of government. The model is akin to a private corporation, with the council being analogous to the board of directors and the city manager the chief executive.

The principal advantage of the model is that a professional manager runs the city in a business-like manner, something that is necessary given the premium on making the best use of limited city financial resources. Such an institutional arrangement can preclude politically motivated patronage (Montjoy and Watson 1995). Since city managers are ostensibly guided more by actual effectiveness and efficiency than by short-term electoral considerations and pressure-group demands, as is the case with elected political executives, they are more likely to pursue policy innovations (Montjoy and Watson 1995). In addition, city managers are not subject to frequent turnover and thus are more likely to ensure policy continuity and to have credible commitments to other actors in local development (Clingermyer and Feiock 1997). In the United States, where the model is quite prevalent (in the majority of small and medium-size cities, but less so in the larger cities), there is a well-recognized cadre of competent city managers who are in high demand.

The criticism of the model is that it undervalues the importance of political leadership that is critical in the running of a city. The city manager may be just a transitory stranger in charge of city affairs (many U.S. cities prefer to hire an outsider who is not immersed in local politics), using the city as a rung on her or his career ladder. In addition, despite the intention of city managers being apolitical, experience from the United States indicates that in practice they view themselves as having substantial influence, often higher than the mayor or the city council

(Svara 2005). In fact, few countries outside the United States have adopted the model to a significant extent; in the United Kingdom, where the local government reform law of 2000 allowed this option, only one local authority, Stoke-on-Trent, has adopted it (Chandler 2009).

The model has also not been much used in developing countries, except where it has implicitly evolved because of higher levels of government maintaining the power to appoint the heads of local governments from among the ranks of national/state civil servants (e.g., India). While technically a council-manager form, it is in practice more of a mechanism for higher-level government to keep a tight grip on city governments and thus is not really an appropriate practice for effective city management. Metropolitan cities in South Africa use a blend of strong executive and city manager approach by having the mayor as the chief executive who is unambiguously the leader and the city manager as a professional working under him.

LEADER AND COUNCIL CABINET FORM

Most prominent in countries with a parliamentary tradition of government, this form has the leader elected from among the council members (normally the leader of the majority party) serving as the mayor, who in turn appoints up to a prescribed maximum number (three to ten in the United Kingdom) of the council members to serve as his or her cabinet. Individual members of the cabinet can be given responsibility for specific services and/or cross-cutting themes, with delegated authority to make decisions. The council performs the oversight function and may set up committees for specific subjects/themes. However, this arrangement has been criticized for violating the division of powers (Montjoy and Watson 1995). The council is responsible for agreeing on the policy framework and the budget for the city, normally but not necessarily on the proposal of the executive.

A variation of the model is for the people to elect the mayor directly, who then forms the cabinet in the same manner from among the council members. This variation makes the mayor more visible and potentially more powerful than a mayor who is the leader of the council.

The model attempts to strike a balance between the need for clear executive powers and legislative oversight. Keeping the executive leadership within the council, it ensures that the council as the representative of the people is fully engaged in the running of the city. The main disadvantage of the model is that, like parliamentary systems, it can result in an unstable government that is at the mercy of potential changes from votes of no confidence in situations where national party politics are closely divided. While this may well be an appropriate system for national/state level politics, it is not well suited for city government, which requires more stability in order to deliver service effectively. In order to overcome this problem, the U.K. legislation requires a supermajority of a council to remove a mayor or is without the power to remove a mayor that is directly elected. Another disadvantage cited by some is the passive role played by the members of the majority party in the council who are not members of the cabinet (the “back benchers” in the United Kingdom) since they are expected to vote on party lines (Chandler 2009).

MAYOR AS EXECUTIVE

Also sometimes referred to as the “strong mayor” form of government, this model has the mayor (generally) elected directly in citywide polling. The election of the mayor can be at the same time and for the same term as the council, but some cities have chosen to stagger both the timing and the term to draw a clearer distinction between the legislative and executive functions and to provide greater continuity in city governance. The councils normally cannot remove the mayor through no-confidence votes, but some cities provide for the citizens to force a recall election by petition signed by a specified number of voters.

The executive power is entirely vested in the mayor, with the council playing only the oversight role. The city bureaucracy is directly under the control of the mayor, who also may have the powers to appoint (or dismiss) the heads of the various departments. The council may be granted appointment powers for certain positions (e.g., city clerk, auditor, inspector general) that are closer to its role of ensuring accountability in city functions. The mayor presides over the council meetings and sets its agenda. The mayor also has the powers to prepare the budget for council consideration, administer it after approval, and veto acts of council, which the council can override only with significant majority, and generally acts as the leader of the city for all practical purposes.

Despite its increasing prevalence, there is considerable disagreement about the strong mayor model. The proponents of the model see it as offering clarity of leadership and streamlined functioning of the city government, which helps improve efficiency. It also allows the voters to see the mayor clearly as whom they should hold accountable for the performance of the city government. Finally, it clearly separates the oversight responsibility of the council, which tends to be diluted when the council also takes on executive functions. A review of the German experience with directly elected executive mayors seems to confirm these views (Wollman 2005).

The main criticism of the strong mayor model is that it concentrates too much power in one individual, to the detriment of having truly participatory and democratic governance. Critics believe that leadership that relies on formal power to forge coalitions among divergent views and interests common in any city is not necessarily responsive, particularly to those outside the ruling coalition (Blodgett 1999). Citing successful examples of San Antonio, Texas, and Charlotte, North Carolina, Blodgett (1999) argues that it is possible for the mayor to use powers of persuasion and consensus building in a council-leader form of government to bring together different factions to support important initiatives.

Blodgett (1999, 354–355) also dismisses the notion that the council-manager form means “leaderless” government, which cannot take hard decisions because of the problem of “too many hands on the tiller,” arguing: “Do we really want a mayor’s leadership tools to comprise trading votes for services? Political leadership should not be confused with reactive, demand-responsive leadership. Too often, the political leadership in strong mayor governments encourages conflict among elected officials, which, in turn, produces political gridlock and a reliance on short-term coalition building.”

A second criticism of the model is that it marginalizes the role of the councils to essentially rubber-stamping the preferences of the mayor and thus risks weakening

the horizontal and vertical accountability linkages between the council and the executive and between the council and the citizens (Lankina 2008). In Côte d'Ivoire and Uganda, use of the strong mayor system has led to mayoral domination of local councils and lack of accountability of councils (Crook and Manor 1998; Wunsch 2001). Surveys of council members in U.S. cities with strong mayors show a growing disaffection among council members, the representatives of the citizens, in their influence in key decisions (Svara 2005).

Despite the differing views, the strong mayor form of government has become increasingly popular, and many countries, developed and developing, have adopted this as the model. France, Germany, and Spain in western Europe are the most prominent examples of directly elected strong mayors, although it has also gained increased prominence in England following the local government reforms of 2000. Most of the largest U.S. cities have directly elected mayors.

The Bureaucracy

Like any other function, cities require managers and staff at all levels who have the necessary expertise, tools, and resources to carry out their assigned functions. The growing complexity of metropolitan cities requires high-caliber staff, or at least staff members who are no less qualified than those who serve in state or national governments. This, however, is not the norm in many developing countries. Local government staff are invariably of lower caliber and command less respect. This contributes to the commonly held view of a lack of capacity in the local governments, which is one of the main inhibiting factors for greater devolution to local government cited by higher-level governments.

In practice, the lack of capacity is not due to lack of availability of qualified people, at least in the metropolitan cities that generally offer amenities (e.g., schools, housing, culture) valued by civil servants. Rather, the main reason is the inadequacy in the civil service system governing local governments that often accords local government officials a lower status, including lower salaries, fewer chances of advancement (when higher-level positions are filled by transitory appointees from the national government), insufficient value assigned to local government functions, and does not encourage professionalism.

Poor governance in the cities is also detrimental to bureaucratic functions. Many local politicians use government jobs as patronage. High levels of political corruption inevitably seep into the ranks of the civil servants, who then become the "enablers" for the politicians. Low salaries and a lack of proper systems of accountability serve as incentives for petty corruption, which is felt most directly by the citizens.

The net result of these factors is that the local government staff are held in low esteem. Citizens generally see them as inefficient, unresponsive, and corrupt. This is quite in contrast with industrialized countries, where local government staff members receive generally positive ratings from citizens, at times even higher than those for the higher levels of government. This reflects the fact that citizens in industrialized countries value the importance of local services on which they exercise much more direct control through their elected representatives.

City governments need significant autonomy over civil service and employment policies in order to address these issues. Ideally, it should include pay policy autonomy (setting overall wage rates); budget transparency (paying staff from one's own budget); budget and establishment control (controlling staff numbers and authority to remove surplus staff); recruitment autonomy (recognition as formal employer); career management control (vertical and horizontal mobility, including transfers to other units within the local government system); and performance management (directing and supervising activities and tasks, conducting evaluations, and exercising the ability to discipline and fire) (Evans 2004). Discretion over these functions allows the local government to hold staff accountable and to allocate staff efficiently by aligning their skills with local activities while managing financial resources. For example, pay policy autonomy and performance management not only enhance the accountability of the local staff to the local government but also give the local government authority over managing fiscal resources. In other words, if the local governments are not in control of each of the above-mentioned functions, the structures of accountability remain misaligned.

In practice, local governments in most developing countries have hardly any authority to make decisions on employment policies, because central governments participate in every aspect of the employment management, including budget payroll, recruitment, setting up standards, and even performance management. As a result, civil service rarely enters the decision calculus of institutional design and is not recognized as essential to good governance. Table 5.5 presents an overview of local government power over different functions in select developing countries.

DEMOCRATIC GOVERNANCE: AUTONOMY WITH ACCOUNTABILITY

Devolving discretion or autonomy to local governments to improve performance needs to be accompanied by strong measures of accountability. As argued above, effective metropolitan management requires local government to have substantial autonomy in carrying out its functions, managing its finances, and managing the personnel or functionaries, the essential "three Fs" of autonomy. Such discretionary power should be accompanied by safeguards against its abuse. In the absence of such safeguards, autonomy alone may actually leave the door open for misuse and abuse of new powers. Public officials could be influenced and captured by elite groups due to a lack of checks and balances for discretionary power. In addition to safeguarding from abuse, accountability mechanisms should create incentives for performance. Devolution without addressing accountability at the same time has been a major reason for the lack of success of decentralization (World Bank 2009).

The traditional approach to accountability of local governments has relied on supply-side or public-sector accountability instruments, which is the hallmark of, and a sine qua non for, good governance (Bovens 2005). It is the obligation of public authorities (governments, elected representatives, and corporate and other governing bodies) to explain publicly, fully, and fairly how they are conducting responsibilities that affect the public. Public accountability focuses on public-sector managers who spend public money, exercise public authority, and manage a corporate body

TABLE 5.5

Discretion over civil service and employment

Function	Angola	Burkina Faso	Ethiopia	Guinea	Kerala, India	Philippines	Punjab, Pakistan	Tanzania	Uganda
Budget payroll									
Authority to dismiss surplus staff	○	⊙	⊙	○	●	●	⊙	⊙	⊙
Determine the wage envelope	○	○	○	○	⊙	⊙	⊙	○	○
Establishment control									
Control of overall staff numbers	○	○	⊙	○	⊙	●	⊙	○	⊙
Control of staff numbers in individual local offices and facilities	○	⊙	⊙	○	⊙	●	⊙	○	⊙
Recruitment									
Recognized as a formal employer	⊙	●	⊙	○	⊙	⊙	⊙	⊙	⊙
Authority to hire	○	●	⊙	○	⊙	●	⊙	⊙	⊙
Independent merit-based recruitment mechanism	⊙	⊙	⊙	○	⊙	⊙	⊙	⊙	⊙
Career management									
Promotion	●	⊙	⊙	○	⊙	●	⊙	⊙	⊙
Horizontal mobility within the local government	●	NP	⊙	○	⊙	⊙	⊙	○	○
Transfers within the local government	●	●	⊙	○	⊙	⊙	⊙	○	○
Performance management									
Direct and supervise activities and tasks	●	●	●	○	⊙	⊙	⊙	⊙	⊙
Conduct evaluations	●	●	⊙	○	⊙	⊙	⊙	○	⊙
Offer financial rewards	⊙	NP	○	○	○	⊙	⊙	⊙	⊙
Discipline and fire underperforming staff	●	⊙	○	○	●	⊙	⊙	⊙	⊙
Set pay policy	○	○	○	○	○	⊙	⊙	○	○
Set overall wage rates	⊙	○	○	○	○	⊙	⊙	○	○
Set local incentives/salary top-ups	○	●	○	○	○	⊙	⊙	⊙	○

Abbreviations and symbols: ○, total control of the central government; ⊙, partial control of the central government; ●, complete control of the local government; NP, not prescribed. SOURCE: World Bank (2009).

under public law. The predominant focus is on compliance requirements of public-sector managers for how they exercise public authority, spend public funds, and manage a corporate body under public law. For local governments, institutionalized systems and procedures, upward reporting, prior approvals, public disclosure, and independent audits are the most common instruments of accountability. These have been the areas of focus of many donor initiatives for institution building.

Elections of councilors and the mayor are opportunities for citizens to enforce accountability, and indeed, most developing countries now have some sort of elections at the local level consistent with the trends toward democratization at the national level. However, essential as they are, in practice electoral accountability has been weak because of voter apathy, which can be due to a lack of adequate information on performance or a lack of confidence among the citizens that they have an influence in changing things. As discussed later, electoral arrangements can also influence voter interest and participation in the elections.

Increasingly, however, both practitioners and academics recognize the critical role of the demand side in contributing to accountability. Also referred to as social accountability, the demand side refers to an approach to building accountability that relies on civic engagement, in which ordinary citizens and/or civil-society organizations demand accountability. Recognizing the limitations of both electoral and public accountability mechanisms, demand-side/social accountability approaches require concerted civic education efforts and an expansion in the repertoire of instruments through which citizens can hold the state to account, beyond voting.

Social accountability requires active involvement of citizens in the affairs of the government. Citizen participation at the local level is seen as the foundation of the development of democratic governance that many countries now seek. Indeed, in the industrialized countries, this objective has become the central goal of increasing decentralization, equal to or even more important than the efficiency goal. Citizen involvement can also ensure more effective oversight of governmental functions, something that is particularly necessary at the local government level with the historic concerns about poor performance and malfeasance.

Electoral Systems

Direct election of councilors and the mayor has now become increasingly common and provides the most fundamental form of citizen participation. However, measures can be taken that encourage voter interest and turnout. Of course, fair and open elections are critical. Election of the mayor on a citywide basis has generally drawn greater voter interest because it gives citizens a clear choice of one person they can look to for leadership. Election of councilors on an area basis is important to link citizens to their representative on the council. However, the large population of metropolitan cities and the limits on the total numbers of councilors from the point of view of effectiveness mean that a large number of people are represented by one person (e.g., with a city population of 10 million and council size of 50, one councilor represents 200,000 people, or 40,000–50,000 households). This dilutes citizen voice in the metropolitan cities.

Exogenous factors can negatively affect the effectiveness of the electoral system. In many cases, informal power structure outside of the electoral system influences representation and electoral accountability. Voters in many local settings cast their votes based on their affiliation with the traditional leaders/tribal chiefs. They might be obliged to make their vote public, which prevents them from making their choices in a democratic manner. More important, informal power structures restrict the entry of candidates into the electoral space as those currently in power stifle dissent to exclude certain groups and maintain strict hierarchies. In Punjab, Pakistan, for example, the majority of the candidates who contested local elections previously belonged to the landed elite class of their communities and were related to the politicians at the national and provincial levels (Aslam and Yilmaz 2011). Similarly, in Burkina Faso, traditional chiefs frequently intercede with the deconcentrated or decentralized authorities, especially in rural areas (Mahieu and Yilmaz 2010). In Ethiopia, the *de jure* multiparty electoral competition is dominated by the ruling party (Yilmaz and Venugopal 2010). Table 5.6 presents such examples from other countries and emphasizes the detrimental effect that certain political factors can have on electoral competition and, consequently, on including citizens in the political process.

Many U.S. cities try to overcome representation and participation problems by having citizens serve on various advisory commissions, neighborhood councils, and so forth. India has created “ward committees” with representation from trade organizations, nongovernmental organizations, and so on, that provide inputs to the councilor (Baud and de Wit 2008). Unfortunately, the ward committees have been captured by elite or special interests in many cities, but they have been effective when they truly comprise grassroots-level representatives and the political leaders show commitment to their success (e.g., Kolkata, India). New Delhi, India, has tried neighborhood committees that are given responsibility for specific functions (e.g., parks, cleanliness), but experience shows that they have been more effective in middle- and upper-class communities and not in the poorer neighborhoods. Greater citizen involvement remains a continuing challenge in urban governance in most cities. In the Philippines, for instance, the local government code mandates that all provincial, municipal, and *barangay* (village/district) governments establish a local development council to set the direction of economic and social development and review local governments’ budgets. One-quarter of the council members should come from nongovernmental organizations and community-based organizations (Estrella and Iszatt 2004).

Some countries (e.g., most U.S. states) have made local government elections nonpartisan on the theory that for local-level government it is better to focus on the qualifications and work of the individual rather than promises of political parties. Experience in the United States generally validates this assumption. In contrast, experience in some other countries suggests that partisan elections actually increase voter turnout.

Empowering Citizens

Building a civil society is a long evolutionary process, as witnessed in industrialized countries. The mechanisms by which they develop, or the events that trigger them,

TABLE 5.6

Local electoral accountability: Select examples

Country	De jure	De facto		Local governance outcome
		Good practices	Malpractices	
Kerala, India (election year 2006)	A term of five years is legally mandated for the local elected officials. A no-confidence motion* by the members of the <i>panchayat</i> can remove the president and vice president. Independent candidates can run in local elections. Political parties have been allowed to register for local election.	The State Election Commission, which oversees local elections, is well functioning. The election process was broadcasted daily on radio in several languages.	Independent candidates for <i>gram</i> panchayats and other local panchayat elections tend to have a party affiliation.	Elections helped strengthen the institutions and mechanisms of decentralization and reduced the role of state members in legislative assemblies in local governance.
Ethiopia (election year 2008)			No political space for opposition parties. Members of the National Election Board are selected by the ruling party. At the grassroots levels (village and cell), the ballot is not secret by law.	Although Ethiopia has a multiparty system, the political landscape is almost entirely dominated by the ruling party. Lack of privacy prevents free and fair expression of voter suffrage and choice. Tribal chiefs affect the outcome of elections.
Guinea (election year 2005)	Both urban and rural councils are directly elected by proportional representation, for a term of four years.	The Autonomous National Electoral Commission, composed of representatives from most parties and civil society, is in charge of administering elections. Opposition parties were given access to state their positions on state radio broadcasts.		
Pakistan (Punjab) (election year 2001)	The executive is subject to council oversight by law.	Councils have been successful in making decisions independent of the executive.	District mayors are traditional and informal power holders in the area and use their political influence over union councillors.	Elite capture of electoral discretion results in strengthening of central officials.
Tanzania (election year 2005)	Recall provisions are provided at the village, <i>kitongoji</i> , and <i>mtaa</i> council levels. The election is organized by National Election Committee.	Citizen grievances with the election process can be lodged through petitions in the courts, which have the authority to hear and determine the outcomes.	The minister responsible for local governments continues to supervise the local elections. Only affiliates of national parties refer to recall measures.	Central control of local elections limits political discretionary powers of the local governments and creates ambiguities in accountability structures.

*A no-confidence motion is traditionally put before a parliament by the opposition or citizen's quorum in the hope of defeating or embarrassing a government. Similarly, at the *gram sabha* level, a citizen's quorum can decide to remove the president. SOURCE: World Bank (2009).

are not entirely clear, so the best course is to put in place instruments conducive to civic involvement and participation. Examples of such instruments follow.

GENERIC LEGISLATION THAT EMPOWERS CITIZENS TO DEMAND LOCAL ACCOUNTABILITY

Specific measures can be enshrined in legislation governing local bodies that empower citizens for grievance redress or with the right to request explanations regarding municipal legislation. The following are some examples.

- *Public hearings and consultations.* These are probably the most common instrument of dialogue between citizens and the local government. In most cases the hearings are consultative and nonbinding. They make the government answerable to its constituency, but they lack the enforcement dimension of an accountability relationship.
- *The right to demand a public hearing.* As part of the process of adopting normative acts, the municipality must hold a public hearing on the proposed act if it is requested by at least a minimum number of persons or an association having a minimum membership.
- *Public petitions.* Any person or organization may petition the municipality to adopt, amend, or repeal a normative act, and the petition must be reviewed and responded to in writing.
- *Administrative complaints.* The municipality must go beyond the minimal provisions of the country's administrative appeals law by giving complainants an opportunity to be heard and by shifting the burden of justification to the government to prove that they followed rules and processes, as opposed to the complainant having to show that the government failed to do so.
- *The right to initiate a recall or referendum.* The local government code in the Philippines establishes the mechanism of recall as an immediate accountability mechanism for elected local officials. Their tenure may be terminated by popular vote under a special recall election that can be initiated by a petition. The code also guarantees citizens the right to pass key legislation directly or oppose proposed legislation with the instrument of referendum.

SPECIFIC BODIES AND PROCESSES FOR CITIZEN OVERSIGHT

Citizen oversight bodies are institutional structures that citizens form to provide a direct channel for citizen oversight over local government's work. In Bolivia, for example, the 1994 Law of Popular Participation created local vigilance committees to monitor activities of elected local government bodies and to participate in local planning and budget creation. In Japan, in response to widespread perception of local government corruption, a civic movement began establishing citizen ombudsmen in several municipalities. This initiative spread throughout the country and led to formation of the National Citizen Ombudsmen Liaison Council and recognition of the mechanism in government statutes. In addition, the national council developed a survey to rank the level of transparency of local governments, which was used as an additional source of pressure over local government to improve its performance.

INFORMATION PROVISION AS THE BASIS FOR CITIZEN MONITORING

Improved information flows to citizens reduce opportunism by political leaders and improves resource allocation (Besley, Pande, and Rao 2004). In India, a small Indian nongovernmental organization in Rajasthan initially introduced public hearings in 1994 to stop fraud at the local level. This initiative led to the Every Citizen Has the Right to Information Campaign, which led to India's Right to Information Act of 2005. The act provides that, on payment of a small fee, every citizen can demand and receive details of expenditures on the work done over the last five years in his or her village. In many countries, the right to information does not exist for many administrative activities, and citizen groups have to establish their own networks to make information public. In Uganda, for example, the Uganda Debt Network established local monitoring committees in order to track local public expenditures.

MONITORING PROCUREMENT AND IMPLEMENTATION OF LOCAL GOVERNMENT CONTRACTS

Procurement, including contracting and implementation of public works and services, is a major source of corruption and mismanagement. A typical source of local government corruption and collusion involves drafting tender documents in ways that unfairly benefit one contractor over others. In the Philippines, the local government code wrestles with this risk by assigning a seat to accredited nongovernmental and community-based organizations in the prequalification, bid, and award committees for local contracts. In many countries, such as El Salvador, Nicaragua, and India, the beneficiaries of public investment projects form a social audit committee to monitor the physical construction process, from the receipt and quality of the materials to their proper use.

MONITORING LOCAL SERVICE PROVISION

Citizens have used a number of strategies to oversee service quality around the world. Some strategies rely on participatory assessments and feedback surveys and are often accompanied by agreements on expected standards of services. Others rely more on public representation in service-specific institutions that channel citizens' complaints and allow them regular oversight. One of the main innovations that drew attention to the potential of the social accountability approach was the experience of citizen report cards, which are participatory surveys that solicit user feedback on performance of public services. They are used in situations where there are no demand-side data, such as user perceptions of quality and satisfaction with public services. Citizens' report cards are instrumental especially in gathering demand-side data about state-owned monopolies, many of which lack incentives to be responsive to their clients. The report card process relies on extensive media coverage and civil society advocacy to achieve greater accountability. The initial experiment of citizen report cards in the municipality of Bangalore proved that, by collecting citizen feedback about the performance of local services in a structured way and using that assessment as a yardstick against which to measure future improvements, the report card approach was a powerful way to improve local government services (Paul 2002). This basic concept has led to a proliferation of initiatives. In Uganda, for instance, Kampala conducted its first citizen report card in

early 2005. It provided the city council and other basic public service providers with feedback on water and sanitation, health, education, roads and public transport, solid waste management, public toilets, the management of the city environment, maintenance of law and order, and management of city infrastructure. A complementary strategy has been to develop citizen charters. These are pacts between the community and service providers, spelling out expectations and roles, enabling citizens to interact more effectively with the municipality. They specify the expected standards of services, identify who is responsible, and outline the procedures for redress of complaints. For example, the Citizens' Charter in the municipality of Mumbai, India, covers detailed public services for each municipal department.

RECOMMENDATIONS FOR DEVELOPING COUNTRIES

In considering the appropriate models of urban institutions for developing countries, three important points should be kept in mind. First, there is wide diversity in the structure and functioning of metropolitan institutions both across countries and often within the same country. No single model can be considered as the best model to follow. For every model discussed here, positive experiences have been reported in some cities and negative ones in others.³ Second, institutional change is a long and slow process, brought about not just by legislation but by cultural changes and adjustments in the perceptions and attitudes of actors implementing the change. Third, getting the right institutions in place is an evolutionary process requiring constant adjustments with changing circumstances. In most industrialized countries, laws governing metropolitan governance have been undergoing change for decades, and in many cases there are still ongoing debates about the right structures (Berg and Rao 2005; Chandler 2009; Sancton and Young 2009).⁴

With these considerations in mind, it is neither feasible nor desirable to set out a single best institutional model for governance of metropolitan cities in developing countries. The structure must be *sui generis* in each country. With rapidly growing population of their metropolitan cities and their critical role in the economy, developing countries do not have the luxury of the gradual evolutionary approach that typifies metropolitan governance in developed countries.⁵ There is now sufficient experience to allow us to draw some key principles of metropolitan governance, as outlined in the following.

A Legal Framework Should Underpin Metropolitan Governance

Local governments are clearly one of the fundamental democratic institutions of a country. Inclusive and effective democratic processes can most readily be achieved at the local level through participatory, transparent management of public resources.

³ See Berg and Rao (2005) for a useful discussion of experiences in a number of countries in Europe and the United States.

⁴ The case of the United Kingdom is typical: the first local government act in the United Kingdom was enacted in 1888, and the most recent one in 2000, with several intervening revisions, and there is still ongoing debate about whether certain provisions need to be further amended.

⁵ Thirteen of the 20 most populated cities today are in the developing world.

In this process, the roles, responsibilities, authority, and accountability of local governments, including metropolitan cities, should be formalized in an appropriate legal governing framework. Legal frameworks are laws and policies at multiple levels, national, regional, and local, that operate interdependently and together can be considered to constitute an overall legal framework within which citizen and government actions take place. National laws and constitutions provide a backdrop by establishing rights, freedoms, and entitlements of local governments. They should also spell out the fiscal and administrative relationship between the metropolitan city and the national/state government. This provides the citizens a basis on which they can hold metropolitan government accountable by pursuing remedies in the court of public opinion and law.

Central/State Governments Should Delegate Significant Autonomy to Metropolitan Local Governments

This autonomy should include on the expenditure side, (1) full control on at least all property-related services; and (2) implementation of people-related programs (basic education and health) even when the financing may be provided by higher levels; and on the revenue side, (1) autonomy to determine levels of taxes that are clearly property-related; (2) transparency in the share due to metropolitan governments from taxes that are collected by the higher levels; and (3) flexibility in setting rates for their share of the shared taxes.

Metropolitan Governments Must Be Given Full Autonomy in the Three Fs

As mentioned above, the three Fs in metropolitan government refers to functions, finances, and functionaries (personnel). In this regard, the role of higher-level government should be limited to (1) setting the broad legal framework under which local governments are expected to operate, particularly in managing their finances; (2) monitoring compliance with people-oriented programs funded by higher levels; and (3) monitoring the performance of local governments but assigning power for any remedial action to only the legislature at the national/state levels and not to civil servants at higher levels. Higher-level government should not intervene in day-to-day functioning, leaving the oversight of such functions to duly elected local representatives and citizens. The legislative framework should clearly spell out these roles of the national/state levels.

Improve the Quality of Civil Service to Improve Metropolitan Governance

This should start with a clear policy that all city government staff belong to the city and are to be recruited by the local government and not seconded from higher levels of government. Staff appointments and administration should be within a well-defined civil service system that is comparable to the system at the higher levels. There is no reason for salaries at local levels to be lower than those at the state or

national levels except for any location cost differences. The system should be administered transparently with all selections done on merit. Although difficult to administer, the system should also provide for merit-based promotions and mechanisms for termination for poor performance. These are not easy measures to undertake, but interestingly, developing countries (e.g., South Africa, Indonesia) are deciding to grant the authority to set civil service conditions to each local government. On the other hand, European countries have moved toward uniformity between national and local levels, preferring to avoid unnecessary political complications from having multiple systems. Some other countries provide national/state guidelines within which the local civil service conditions are set.

Make Strong Executive Leadership Visible to the Citizens to Promote Accountability

A legislature at the city level is essential for overseeing the executive, promoting citizen interest, and encouraging citizen participation. Separation of the executive from legislative functions is also an essential part of maintaining checks and balances for good governance, and various models are possible to achieve this within the political traditions of a country. Nevertheless, it is important that a clear leader is seen as being responsible for the functioning of the city and can be held directly responsible by citizens for delivering results. There is much to recommend for a strong mayor system.

Establish Mechanisms for Downward Accountability

A major impediment to granting greater autonomy to local governments in most developing countries has been the concern about malfeasance, whether in the form of lack of performance or misappropriation of public funds. While mechanisms need to be in place for some oversight by higher levels of government, the most critical accountability is the one that is exercised by the citizens. A representative electoral system with wide participation and the necessary checks and balances is the most critical element. But this should be accompanied by proactive mechanisms for citizen input enshrined in the city charter. Reporting on key city functions by independent bodies in a timely manner and with the widest reach should be another important requirement.

Several developing countries have in the last few years been attempting to carry out reforms of local governments. In Asia, the Philippines and Indonesia have undertaken significant decentralization of functions and resources to local levels. They have also been actively promoting greater participation of citizens in the governance of cities, although there have been concerns that the powerful and the influential still dominate local politics (Hadiz 2010; Laquian 2005). Cities in Brazil, Colombia, and Argentina in Latin America have traditionally enjoyed greater autonomy but have yet to address effectively the problem of multijurisdiction metropolitan governance (Rodriguez-Acosta and Rosenbaum 2005). Similarly, there has been piecemeal progress in some African countries. But few developing countries are yet to implement the fully integrated framework for metropolitan institutions and governance discussed here.

Two notable exceptions, Turkey and South Africa, have implemented reforms for different reasons: Turkey in its quest to join the European Union, and South Africa in taking advantage of the need to move the cities away from the apartheid system that had fragmented cities into enclaves.

Both countries have promoted democratic governance, empowerment, and accountability at the municipal level. In both, the constitution and subsequent local government laws recognize municipalities as organs of local development and make a distinction between different types of municipalities. The South African Constitution (1996) is one of the rare examples from developing countries that explicitly recognize the importance of municipal governments for promoting economic and social development of the cities. It defines local governments as one of the three “spheres” of government (the other two being national and provincial) rather than the conventional “tiers” or “layers” in most federal structures, thereby denoting unique roles, responsibilities, and authority for each. The constitution is also unique in specifically recognizing the importance of some cities (the eight largest cities categorized as “category A” or metropolitan municipalities) and accords them power to exercise “exclusive municipal executive and legislative authority in its area.” The constitution also explicitly directs higher levels of government to support and not hinder municipal development. Turkey has been successful in creating a two-tier municipal system in large cities with representative government at both levels, a clear delineation of responsibilities between the two, and effective mechanisms for coordination. But the process of improving metropolitan governance even in these countries is still evolving. In South Africa, there has been concern that the law prescribes too intrusive a role for citizens, which has seriously overburdened municipal administrations and detracted from their core functions of service delivery (Cameron 2005). Nevertheless, both countries can serve as broadly appropriate models for developing countries to follow, albeit with changes to suit their specific circumstances.

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