

Urban governance

Topic guide
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Executive summary

What is urban governance and why does it matter? This topic guide introduces the literature on urban governance and its relationship to growth and poverty reduction. It considers the key debates and issues, and sets out some implications for practice on specific urban governance challenges.

The 21st century has been referred to as the first urban century. More than 50% of the world's population live in urban areas. Rapid urbanisation has been identified as both an opportunity and a global challenge. Urban centres drive economic growth and offer economies of scale in productivity and public investment; they are social melting pots, centres of innovation and drivers of social change. However, cities can also be marked by inequality, poverty, conflict, violence and environmental degradation.

Urban governance is the process by which governments (local, regional and national) and stakeholders collectively decide how to plan, finance and manage urban areas. It influences whether the poor benefit from economic growth, and determines how they bring their influence to bear and whether political and institutional systems, processes and mechanisms facilitate inclusive and pro-poor decisions and outcomes. It involves a continuous process of negotiation and contestation over the allocation of social and material resources and political power. It is not just about the formal structures of city government but encompasses a host of economic and social forces, institutions and relationships, formal and informal. Elements that contribute to effective governance include:

- **The city-national interface:** Effective urban governance depends not only on local institutions and actors, but also on the framework set by national governments that links the city and broader regional and national development. However, in many contexts inadequate institutional frameworks have impeded urban governance.
- **Municipal capacity:** Expanding capacity to plan, manage and finance urban growth is a fundamental component of effective urban governance. Each tier of government needs sufficient capacity to ensure that physical and socio-economic planning processes are well-coordinated, legally enforced, inclusive and cross-sectoral. However, many municipalities lack the skills, capacity and resources to meet obligations.
- **The role of the private sector:** The private sector is a key stakeholder in urban and economic development. In addition to creating and providing employment, it can also be engaged in the design, construction and maintenance of infrastructure and provision of services. However, where the private sector has contributed to improvements, it has often been at the expense of universal coverage, with low-income areas excluded.
- **Political systems and institutions:** Urban governance is political, influenced by the creation and operation of political institutions, government capacity to make and implement decisions and the extent to which these recognise and respond to the needs of the poor. The most vulnerable are often excluded from, or ignored in, decision-making processes. There are gaps between poor and better-off residents' access to social, economic and political opportunities and in their ability to participate in and leverage benefits associated with urban living.

Developing solutions to urban challenges involves a number of interacting factors and actors, making desirable outcomes hard to achieve and predict. Maximising the potential of urban areas requires institutionalising mechanisms of coordination, planning and accountability among diverse stakeholders in a way that recognises the complexity of urban challenges. Key messages include the following:

- Urban governance is often neither **inclusive nor participatory**. Governance frameworks need to encourage policy coordination at local and regional levels and include the voices and participation of the poor. Co-production of public goods has some potential for facilitating more participatory and inclusive urban governance. City-level political processes also provide a means for social groups to

negotiate, debate and form coalitions of interest that, if supported, can promote developmental activities in the city.

- Urbanisation in developing countries has involved the growth of **informal settlements and informal economies**. The importance of the informal sector to urban economies and the livelihoods of the poor is often poorly understood, and limited attention is given to working with the informal sector. Policies to address 'informality' need to involve partnerships among tiers of government, urban actors and the private sector to expand rather than undermine opportunities and livelihoods.
- Urban authorities often fail to provide **access to services** for the poor. There is scope for improvement by facilitating collective action, creating incentives to boost resources for service provision and applying appropriate pricing and revenue models. Decentralised, community based and participatory approaches and processes for the design and implementation of urban programmes may also increase the potential for democracy, accountability and transparency and promote local involvement.
- Urban **conflict and violence** are significant global phenomena, affecting national and metropolitan level economic development, and the livelihoods and well-being of the poor. Whilst cities are inherently sites of conflict, this is generally managed through a range of social, cultural and political mechanisms. When these break down, violence can ensue. Conflict can be resolved and violence mitigated when urban governance arrangements leverage community and city-level political processes to encourage groups to negotiate, debate and form coalitions of interest. Supporting these coalitions can help manage urban conflict, prevent its descent into violence whilst simultaneously promoting developmental activities.
- **Urban migration** is a defining trend of the 21st century, though migrants are often overlooked in discourses on urbanisation and governance. Migration is seen as contributing to shortages of housing, infrastructure and services as well as causing tensions with host communities. Migration policies can be improved by paying attention to the nature of migration and the vulnerability of migrants and by facilitating their participation in civic and political life.
- Urban areas are major contributors to and central in addressing **climate change**. Opportunities for addressing climate change are greatest in the rapidly urbanising areas of the global south where urban form and infrastructure are not locked-in. Policymakers need to better integrate international and national climate strategies with regional and local urban policy frameworks.

Whilst the above policy challenges present a unique set of issues, a number of cross-cutting themes emerge that need to underpin approaches to urban governance. Practitioners need to recognise the importance of local context (economic, political and social) including an understanding of formal and informal processes and structures. Central to developing solutions to complex challenges is sound political economy analysis that identifies impediments to action. Strategies are considered to work best, and do least harm, when the people designing them are thinking and working politically (TWP). TWP encourages partnerships between organisations that are capable of acting innovatively and flexibly to solve development problems. Prescriptive, one-size fits all strategies are likely to fail as they lack relevance to local contexts. Rather, policies that adopt an iterative and adaptive approach can respond proactively to changing local dynamics. Finally, listening to the voices of the poor and adopting innovative means of creating space for their participation is pivotal to ensuring that those who are disenfranchised and discriminated against are not further left behind. This can be challenging given limited resources and expertise amongst urban governments and the poor. Policies need to embed inclusion and participation in urban programming.

Key definitions

The key definitions used to discuss urban areas, urbanisation and urban growth are subject to much debate. For the purposes of this topic guide, selected concepts are defined below.

Citizen-led co-production refers to the joint development of public services by citizens and state. Many urban poor organisations have sought to shift engagement with government from making demands to offering partnership, in recognition that state agencies cannot fulfil their obligations alone, and organisations and federations of the urban poor can facilitate, design and implement cheaper and more effective responses (IIED, 2008).

Peri-urban areas are those that immediately border an urban area, between the suburbs and the countryside. In industrial or post-industrial countries the peri-urban is a zone of social and economic change and spatial restructuring, while in much of the global south, the peri-urban is often a zone of chaotic urbanisation leading to sprawl. Peri-urban zones can be seen as new multi-functional territories. Common features include relatively low population density, scattered settlements, high dependence on transport for commuting, fragmented communities, and lack of spatial governance (Ravetz et al., 2013).

Secondary city is a term used to describe the second-tier level of a hierarchical system of cities based on population thresholds. Its meaning varies, and can relate to: population size, administrative area, or political, economic and historical significance of a system of cities below the primary order of cities within a country or geographic region. Secondary cities perform important functions in the national and global system of cities. They are secondary hubs in a complex network of production-distribution supply chains and waste-management recovery systems, connecting different spatial levels of human settlement (Roberts, 2014).

System of cities acknowledges that it is the relationship among cities, their comparative and complementary expertise, and their evolution in relation to other urban and rural areas that should be the focus of national policy (Clarke Alvarez et al., 2008).

Urbanisation is the gradual shift of relative populations from rural to urban areas. Levels of urbanisation are measured crudely by the percentage of population residing in urban areas, and the rate of urbanisation as the percentage increase in urban population (UN, 2014). The sources of urban population growth include: rural to urban migration; natural increases in the population already residing in urban areas, and the urbanisation of rural and peri-urban settlements. From a demographic perspective, urbanisation has a people-centred focus (McGranahan & Satterthwaite, 2014).

Urban areas are those that have a high population density and built-up features compared to the surrounding areas. The term can apply to industrial zones and related infrastructure as well as to cities and towns.

Urban development is the social, cultural, economic and physical development of cities, and the underlying causes of these processes.

Urban growth is an increase in the absolute size of an urban population. This could be at the level of an individual settlement or a collection of settlements (e.g. at the national level). Urban growth and urbanisation often occur together, but not always. A nation's urban population can grow in absolute terms without increasing in relative terms (Fox & Goodfellow, 2016: 6).

Urban expansion refers to an increase in the built-up area of a settlement or collection of settlements (e.g. at the national level). This often accompanies an increase in urban population size (i.e. urban growth). But urban growth can happen without expansion in contexts of increasing habitation density; conversely urban expansion can occur without urban growth where de-densification happens – e.g. suburbanisation (ibid.).

1. Concepts and debates

Key messages

- Approximately 54% of the world's population live in urban areas; this is expected to increase to 66% by 2050. The highest rates of urban growth are expected in low- and middle-income countries. Managing urban growth is one of the defining challenges of the twenty-first century, particularly in the poorest and most fragile countries where municipal capacity is weakest.
- Urban governance refers to how government (local, regional and national) and stakeholders decide how to plan, finance and manage urban areas. It is profoundly political, involving contestation and negotiation. Large gaps often exist between poor and better-off urban residents in their access to social, economic and political opportunities and ability to participate in, and leverage, the benefits of urban living.
- Unlocking the potential of cities requires investment in residential, commercial and industrial structures supported by effective land markets, appropriate regulation, good public services, adequate public finance and transparent and accountable city level political systems.

1.1 Context

The twenty-first century has been referred to as the first 'urban' or 'metropolitan' century (Clarke Alvarez et al., 2008; UN-Habitat, 2009; UNDESA, 2014; OECD, 2015). It is broadly accepted that for the first time, the majority of the world's population lives in what can be loosely classified as 'urban areas'.¹ In 2014, an estimated 54% (around 3.8 billion people) lived in towns or cities (UNDESA, 2014: 1). Cities occupy 0.5% of the world's land, but they account for an estimated 70% of economic activity, 60% of energy consumption, 70% of global waste and 70% of greenhouse gas emissions.

By 2050, 66% of people are projected to be living in urban areas, with the highest rates of urban growth expected in low- and middle-income countries (LICs and MICs). India, followed by China and Nigeria, will account for 37% of projected growth in urban populations (ibid.).

Attention has focused on the rise of megacities (those with a population of 10 million or more). Yet most urban growth and development is expected to occur in the secondary cities of Africa and Asia (those with populations of 500,000–3 million) (UNDESA, 2008; 2011). More specifically, it is in poor informal settlements on the peri-urban periphery that growth is expected to be greatest.

Poverty in LICs and MICs is becoming increasingly urban. An estimated third of the global urban population (over 1 billion people) live in informal settlements, and this figure is expected to double by 2030 (UN-Habitat, 2008). In the Central African Republic (CAR) and Sudan, over 90% of the total urban population resides in informal settlements (ibid.).

Rapid expansion alongside large informal settlements pose significant challenges for the governance of urban areas in the global south. With urban pressures increasing, conflict potential is high. Urban areas where the poor are concentrated are vulnerable to climatic catastrophes and are becoming the locus of violence and criminality (Beall, 2007). Rapid urbanisation has been identified as both an opportunity and a major global risk (UNDESA, 2014; WEF, 2014), with many types of risk converging in cities (WEF, 2014).

¹ National differences mean the distinction between urban and rural populations is not amenable to a single definition for all countries or even to the countries within a particular region: 6% of countries have no official urban definition and 11% report that their population is either entirely urban or entirely rural (Buettner, 2014).

1.2 Why does urban growth occur?

Urban growth is thought to occur because of the real and perceived benefits of the clustering of human activity (economic and social) in areas of close proximity (Henderson, 2002). Urban centres offer economies of scale in productive enterprises and public investment. Perceived opportunities such as better and more diverse jobs, improved services and the potential for environmental advantage attract people to urban areas (Henderson, 2002; Hildebrand et al., 2013). Urban centres are also social melting pots, centres of innovation and drivers of social change.

However, the speed and scale of urbanisation pose significant challenges: cities are increasingly marked by social differentiation, poverty, conflict and environmental degradation (Beall et al., 2010). Unplanned urban growth may negatively affect economic and social well-being, contributing to congestion, poor housing, pressure on limited public services, air and water pollution (see Topic Guide on Urban Poverty, Urban Pollution and Environmental Management, Satterthwaite, 2015) and associated health issues (Mitlin & Satterthwaite, 2012).

The benefits of agglomeration are also experienced unequally across urban populations. For example, although access to services is higher in urban areas, for those living at or below the poverty line service quality can be poor and costs high. Certain groups, particularly those in informal settlements, may be marginalised in both access to services and decision-making processes (Ducrot et al., 2010; K'Akumu, 2004).

1.3 What is urban governance?

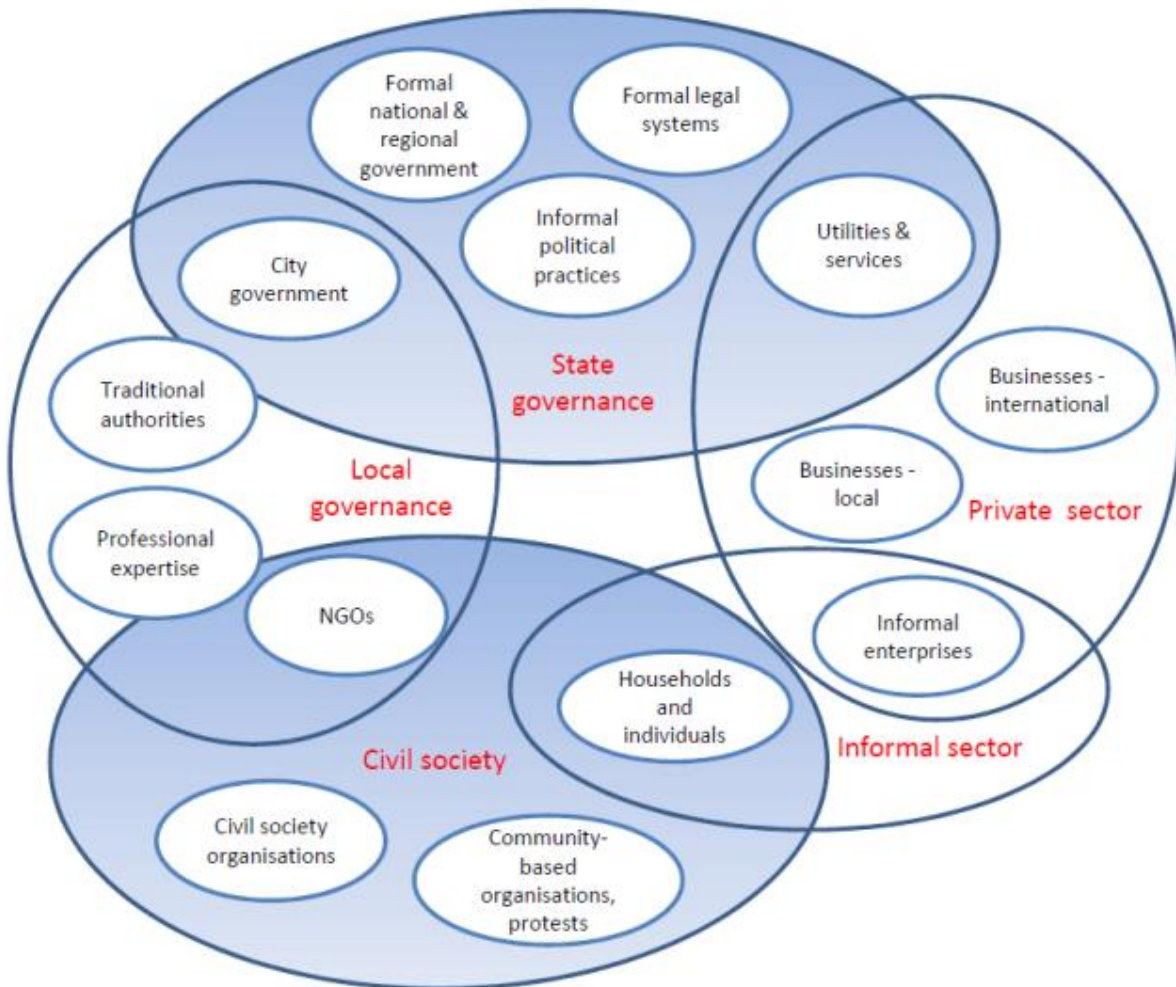
Urban governance refers to how government (local, regional and national) and stakeholders decide how to plan, finance and manage urban areas. It involves a continuous process of negotiation and contestation over the allocation of social and material resources and political power. It is, therefore, profoundly political, influenced by the creation and operation of political institutions, government capacity to make and implement decisions and the extent to which these decisions recognise and respond to the interests of the poor. It encompasses a host of economic and social forces, institutions and relationships. These include labour markets, goods and services; household, kin and social relationships; and basic infrastructure, land, services and public safety (Devas et al., 2004: 1). Large gaps often exist between poor and better-off urban residents in terms of access to social, economic and political opportunities (particularly decision-making) and the ability to participate in, and leverage, the benefits associated with urban living. According to Slack and Côté (2014:7), urban governance:

- plays a critical role in shaping the physical and social character of urban regions;
- influences the quantity and quality of local services and efficiency of delivery;
- determines the sharing of costs and distribution of resources among different groups; and
- affects residents' ability to access local government and engage in decision-making, influencing local government accountability and responsiveness to citizen demands.

Urban governance involves a range of actors and institutions; the relationships among them determine what happens in the city. In managing urban transformations, government (at all levels) need to play a strategic role in forging partnerships with and among key stakeholders (UNESCAP & UN-Habitat, 2010: 211–12; 2015).

While city government is the largest and most visible urban governance actor, much of what affects the life chances of the urban poor lies outside the control of city administrations. Instead, it is the market and private businesses, agencies of the central state or the collective voluntary action of civil society that determine the daily experiences of urban dwellers.

Figure 1: Actors and institutions of urban governance



Source: Brown (2015: 5), adapted from Devas et al. (2004: 25).

1.4 Why does urban governance matter?

Managing cities and urban growth is one of the defining challenges of the twenty-first century. If managed well, cities can act as engines of growth and provide inhabitants with better job opportunities and improved healthcare, housing, safety and social development. Further, cities can contribute to national growth through increased revenue generation and political stability, as well as playing a role in post-conflict reconciliation. Conversely, cities that are poorly planned, managed and governed can become centres of poverty, inequality and conflict.

The challenge is most acute in the poorest and most fragile states, especially those of sub-Saharan Africa and South Asia. Expanding urban populations are straining already overburdened and ill-equipped local government, planning mechanisms, infrastructure and urban finance (Bhatkal et al., 2015). In many areas, the population has increased faster than the capacity of planners to provide houses and infrastructure and of local businesses to provide jobs (Moretti, 2014). This has led to the emergence of large informal settlements, crime, an expanded informal economy, and increased social tensions.

The well-being of the urban poor can be improved by facilitating access to economic opportunities, supportive social networks and greater access to land, infrastructure and services. Whether and how these are available to the poor depends to a significant extent on urban governance – i.e. local political processes (informal and formal); the influence of the civil society organisations (CSOs) representing the poor; and the capacity of city government to respond (Devas et al., 2004). Outcomes depend on a number of factors, including the nature of local democratic institutions and processes, the resources available and the ability of the poor to organise and articulate demands.

Ineffective urban governance affects the poor disproportionately. In particular, oppressive regulation of informal enterprises and settlements can negatively impact upon livelihood opportunities. Devas et al. (2004) and Brown (2015) suggest that the design of the city-level political system, including democratic structures with checks and balances between executive and legislature and periodic elections, must be supplemented by broader participation to ensure that decisions reflect the needs of the poor.

Maximising the potential of urban areas requires institutionalising mechanisms of coordination, planning and accountability among diverse stakeholders (Fox & Goodfellow, 2016). However, many city governments face severe capacity constraints, lack the vision to address urban growth, and need better information/data on poverty, the environment and services. Three key messages emerge that underline why urban governance matters (Venables, 2015):

- The scale and high population density of cities enable economic and social interaction to occur more frequently and effectively. This creates the potential for cities to be productive and to offer inhabitants a better quality of life.
- To unlock this potential, key issues surrounding land, transport, public finance and regulation need to be addressed. Making the city work requires investment in residential, commercial and industrial structures supported by a combination of effective land markets, appropriate regulation, good public services, adequate public finance and transparent and accountable city level political systems.
- Harnessing urbanisation requires smart policy and hard work (i.e. effective urban governance), and the implications of failure are long term.

2. Elements of effective urban governance

Key messages

Effective urban governance depends on four core elements:

The city-national interface: Effective urban governance depends not only on local institutions and actors, but also on the framework set by national governments that links the city and broader regional and national development. However, in many contexts, inadequate institutional frameworks have impeded effective urban governance.

Municipal capacity: Expanding municipal capacity to plan, manage and finance urban growth is a fundamental component of effective urban governance. It is important that each level of government has sufficient capacity to ensure that physical and socio-economic planning processes are well-coordinated, legally enforced, inclusive and cross-sectoral. However, many municipalities lack the skills, capacity and resources to meet their obligations.

The role of the private sector: The private sector is a key stakeholder in both urban and economic development. In addition to providing jobs, it can also be engaged in the design, construction and maintenance of infrastructure (for example through PPPs) and in service provision. However, where the private sector has contributed to improvements, it has often been at the expense of universal coverage, with low-income areas excluded.

Political systems and institutions: Urban governance is profoundly political, influenced by the creation and operation of political institutions, government capacity to make and implement decisions and the extent to which these decisions recognise and respond to the interests of the poor. The most vulnerable are often excluded or ignored in decision-making processes. There are large gaps between poor and better-off urban residents' access to social, economic and political opportunities, and in their ability to participate in, and leverage, the benefits of urban living.

In addition, key political economy constraints in urban areas include the governance framework, the political agency of the urban poor, opportunities for collective action, service delivery dynamics, the prevalence of conflict and violence, and the experience of vulnerable groups.

There is no single, universally-applicable model of urban governance – institutions and decision-making models reflect local context and history. However, effective urban governance involves: **the city-national interface, municipal capacity, the role of the private sector, and political systems and institutions.**

Urban areas are complex, and capable and visible leadership is critical. For large cities and city-regions, governance models with a directly elected mayor appear to have greater potential to provide a coherent city vision, mobilise coalitions of stakeholders and offer greater accountability to citizens.

A number of approaches developed to navigate the politicised nature of development may be applicable to urban contexts. These include drivers of change, political economy analysis, problem-driven iterative adaption, flexible and adaptive programming and political settlements analysis. These approaches highlight the importance of supporting locally-led solutions to locally-defined problems, and underline that reforms, policies and programmes are more likely to be effective when actors and communities view them as legitimate (Booth & Unsworth, 2014).

2.1 The city-national interface

Academics (Moir et al., 2014; Parnell & Simon, 2014) and donors (World Bank, 2009; OECD, 2015; UN-Habitat, 2015d) agree that effective urban governance depends not only on local institutions and actors but also on the framework set by national governments that establishes a connection between the city and broader regional and national development.² Only when national policies foster favourable policy environments can city-level initiatives be effective.

The responsibilities of local governments differ across countries and cities, with structure and organisation influenced by the historical, social and political context. National governments allocate responsibilities to the various levels of government, designating territorial jurisdictions, establishing electoral arrangements, designing internal management structures and creating appropriate accountability mechanisms.

National policies can incentivise certain actions, helping guide urbanisation and urban growth trajectories in sustainable and inclusive ways. This involves the creation of national frameworks that articulate an urban vision outlining how to arrange resources and institutions (Parnell & Simon, 2014: 238). Neither centralised nor fully decentralised models offer a panacea for urban governance challenges (UNESCAP & UN-Habitat, 2015). Greater attention needs to be paid to developing institutional arrangements that work in specific national and urban contexts. For a typology of urban governance arrangements see Slack and Côté (2014: 10–21).

Clarke Alvarez et al. (2008) note that the evolution of cities requires policies that focus on the ‘whole’ urbanisation process rather than on individual cities. The notion of a ‘systems of cities’ acknowledges that it is the relationship among cities, their comparative and complementary expertise, and their evolution in relation to other urban and rural areas that should be the focus of national policy. National policies are needed to guide and support spatial development and ensure that urbanisation is actively managed (see, for example, Box 1 on Sri Lanka’s national urban vision). A growing body of research highlights the extent to which complex flows and interactions of people, production, commodities and natural resources etc. link urban and rural areas and intermediate locations (see Topic Guide on Building Reciprocal Rural-Urban Linkages, Allen et al., 2015).

Challenges and opportunities in balancing the focus on cities and nations include the following (Moir et al., 2014: 22):

- National governments in countries with a dominant city typically seek to accelerate the development and competitiveness of secondary and tertiary cities to rebalance economies and minimise regional disparities.
- National governments with multiple large cities seek to promote the growth of less competitive cities and achieve connectivity and collaboration. Imbalances may affect national unity and stability – e.g. the development of certain urban areas over others may increase tensions where cities represent different ethnic populations.
- National governments in countries with polycentric regions³ need to ensure that cities within their national systems develop complementary rather than competing specialisations. To be (more) internationally competitive, cities in a given region should consider working together in clusters.

² <https://www.habitat3.org/the-new-urban-agenda>

³ Polycentrism is the principle of organisation of a region around several political, social or financial centres.

Box 1: Sri Lanka's national urban vision – Mahinda Chintana

The Mahinda Chintana framework articulates Sri Lanka's urban vision. It seeks to develop a system of competitive, environmentally sustainable, well-linked cities clustered in five metro regions and nine metro cities. It focuses on ensuring consistent productivity growth in the Colombo Metropolitan Region.

The aim is to connect all urban areas so they can grow and evolve into an integrated system, connecting the five metro regions with district and provincial capitals and towns. The framework notes limitations among urban local authorities, leading to inefficient service provision, and the current lack of integration of sectoral and urban plans. Responsibility for service provision is fragmented among central government agencies and two parallel systems of government (devolved and deconcentrated).

The vision calls for institutional and policy reforms to leverage the economic benefits of improved connectivity and urban infrastructure. Its priorities are:

- preventing the spread of informal settlements on the periphery of cities;
- removing constraints on the supply of land and housing finance;
- providing well-targeted housing assistance and livelihood programmes; and
- repositioning authorities as competent and accountable service providers with proper financial/human resources

Urban development in Sri Lanka has had both winners and losers. The Ministry of Defence plays a leading role through the Urban Development Authority. Colombo has seen a programme of improvement, which started with a 'war' on alleged underworld figures. It has included the eviction of hawkers and the creation of new leisure areas, and now seems to involve the clearance of sub-standard housing.

Sources: UN-Habitat (2012a); Moir et al. (2014: 31-32); Amarasuriya & Spencer (2015).

Decentralisation of responsibilities to local governments has been identified as a means of rebalancing relations between cities and national government, making urban government more responsive to local contexts and actors (Topic Guide on Decentralisation and Local Government, Rao et al., 2014).

Decentralisation is assumed to have a positive relationship with democracy, political reform, participation, empowerment, urban development, fiscal and economic development, accountability and capacity-building (Smoke, 2003). For dynamic, responsible and responsive leadership to emerge at the local level, an institutional framework is required that devolves responsibilities, including revenue-generating and decision-making powers (Crook & Manor, 1998; Blair, 2000).

Ensuring good working relationships between central, regional and local government is important. Unfortunately, mistrust often characterises these relations. A common source of tension is the control exerted by central government and the accountability expected at regional and local levels (Rao et al., 2014). Ensuring that accountability and coordination mechanisms facilitate balanced and harmonious central/regional/local relations is a difficult but important task.

It is difficult to determine whether decentralisation has been a positive or a negative force. In many contexts, inadequate legal frameworks and institutional and financial capacity have impeded effective decentralisation and the emergence of effective urban governance (UN-Habitat, 2015d). Many national governments are rhetorically committed to decentralisation, but are influenced by (Devas et al., 2004):

- the degree to which their right to govern is contested;
- concern regarding the development of autonomous opposition power bases;
- concern that local decisions may undermine central policy aims; and
- concern regarding inadequate local administrative capacity.

2.2 Municipal capacity

In contexts of rapid urbanisation and increasing decentralisation, municipal governments face challenges for which their structures, processes and capacities are sometimes inadequate. Rapid urbanisation has generated growing demand for urban services and infrastructure. Simultaneously, national policies and laws are assigning ever more responsibilities to municipal government, devolving planning and fiscal powers that can enhance their ability to respond to local needs and priorities.

The effectiveness of municipal government depends on locally available resources, skills, structures and management processes. However, local governments often have weak capacity in areas such as: planning and regulatory control, finance, human and administrative capacity and service delivery.

Planning and regulation

Planning has the potential to play a transformational role in improving the quality of life of urban communities and tackling poverty. It can enhance well-being and inclusion, facilitate access to services, amenities and economic opportunities, and empower communities to have a say about their future. Governance determines the legal and administrative processes that underpin planning, as well as the roles of formal and informal actors who shape urban change (Brown, 2015: 4). In many developing countries, effective formal planning is challenging because of a lack of up-to-date mapping; weak development control and enforcement powers; out-of-date planning processes; and limited public knowledge of or compliance with land-use regulation. As a result, cities often develop in non-inclusive ways. Further, globalisation, deregulation and free market policies often shift decision-making powers to the private sector.

Where governance and oversight are weak, much urban development takes place outside formal frameworks (see Topic Guide on Planning for Sustainable and Inclusive Cities in the Global South, Brown, 2015). Several problems arise from 'unplanned development', including the expense of the retrospective provision of infrastructure and the increased cost of providing water, roads and sewerage in low-density layouts. The urban poor may pay high costs for informal access to land and services, while government administrations miss out on potential tax revenue. In many cities, plans for informal housing areas seldom consider broader plans for the urban region. Community-based organisations (CBOs) are often weak, lacking the ability to influence decisions, and are not incorporated into the planning process. In addition, planning and regulation generally fail to formulate specific strategies to improve or redevelop informal housing areas with minimum disruption to existing homes and economic activities.

The social aims of planning have often been overlooked in a greater focus on technical professionalism. The poor are often excluded from planning and decision-making processes critical to ensuring that cities meet their specific needs. Patel (2013: 31) comments that the urban poor have legitimate claims to the planning process and have a constructive role to play. Effective urban governance requires planners to seek legitimacy for plans and for city dwellers to be able to hold them accountable throughout the planning process.

The potential of urban planning to address major urban challenges is considerable, but is often undermined by the dominant market paradigm, weak capacity and limited recognition of the priorities of the poor. A number of challenges and opportunities associated with urban planning have been identified (see Topic Guide on Planning for Sustainable and Inclusive Cities in the Global South, Brown, 2015):

- Urban planning can facilitate more transparent development decisions and pro-poor service provision. Where control is weak, governments should intervene selectively through problem-oriented planning that acknowledges informal processes.

- Participation of poor communities is essential for their empowerment. However, transformative development processes depend on collaborative decision-making and an equalisation of differential power relations (see Box 5).
- Strategy planning is often based on national development objectives that do not take into account local issues. While metropolitan plans may channel directions for urban growth, housing development and major infrastructure, local plans can identify potential development sites and protected areas.
- Development regulation often assumes that development should be authorised centrally, through transparent and accountable decisions. These assumptions are unrealistic when most urban building is informal. In these contexts, development control should focus on priority areas (e.g. to identify land for housing or ensure environmental protection).
- Action planning has led to a number of innovations that are redefining the potential for urban intervention. These include urban design and new spatial forms, participatory planning, and land regularisation and upgrading.
- Planning for megacities poses challenges for vertical and horizontal policy coordination. Strategy should focus on key metropolitan functions such as transport infrastructure, solid waste disposal and trunk sewerage and water provision.

To strengthen planning coordination in contexts of weak governance, it is crucial to evaluate existing capacity and processes, noting the legal frameworks for planning, effectiveness of decision-making, development control, as well as appeals and enforcement (ISOCARP, 2008). Where capacity is limited the focus should be on managing developments that have significant environmental or social impact (ibid.).

Effective urban planning depends on locally appropriate solutions and integrated approaches that combine physical interventions with strengthening governance capacity (UN-Habitat, 2009: 60). According to the World Bank (2015: 36), physical and socio-economic planning processes should be well-coordinated, legally enforceable, inclusive and cross-sectoral. Key stakeholders must be involved to align plans with sector priorities and to ensure that the interests of all groups (particularly the urban poor) are considered.

Action or problem-oriented planning is one approach recommended for increasing the capacity of understaffed and financed planning agencies. It can address a wide range of issues (including the protection of built heritage, small-area planning, and upgrading and renewal), identify relevant local resources, and initiate locally-based development programmes to improve the urban environment and economy. Urban action planning also focuses on the institutional change required to plan, finance and implement urban development programmes. Planning tools such as master planning or zoning, which have proved inflexible in dealing with urban change, are being replaced by innovative strategies such as planning agreements between local stakeholders and tradable development rights. However, establishing transparency and resolving conflicts over new instruments remains a challenge (Brown, 2015: 25–6).

Urban finance

Municipal government finances are secured from a range of sources. Central government transfers are the most significant, based on formulae that cover recurrent and capital spending, but they can be erratic. Municipal borrowing enables regional and local governments to finance capital investments. It helps to address infrastructure deficits by shifting the burden of current expenditure into the future and away from grant funding, over which local governments have little or no direct control (see Topic Guide on Sub-national Financing for Urban Infrastructure, Slater & Goyal, 2015). Prerequisites for municipal borrowing are a sound framework for decentralisation and a mature and liquid domestic credit and capital market, which are often absent in developing countries.

City governments can also generate finance locally. Locally-generated revenue falls into three broad categories: property taxes, business taxes and user fees. Property taxes have significant revenue-raising potential and incentivise efficient property use. However, they are under-used in many cities owing to lack of up-to-date address registers and mapping, limited staffing and political opposition. Similarly, land taxes can be used to ensure that land does not sit idle and is used efficiently. Significant differences remain in the generation of per capita municipal finance between cities in developed and developing countries. Cities need to establish reliable fiscal databases, billing and collection capacities and communication programmes to inform stakeholders of the benefits of taxation.⁴

Discussions of taxation have traditionally focused on two aspects: (i) how to improve revenue collection to finance redistribution and public services; and (ii) how to design tax policy to strengthen incentives for economic growth. In recent years, there has been increased interest in the role taxation can play in improving governance. Taxation is considered fundamental to sustainable development and can be a catalyst for the development of responsive and accountable government and the expansion of state capacity (see Box 2).

Slater and Goyal (2015) identify land assets owned by subnational governments as an important element of finance in most developing countries. Land is generally the most valuable asset available to subnational governments and can be used in multiple ways. The influence of municipal government on land markets is of particular importance in determining where and on what terms individuals are able to obtain housing and access services (McGranahan & Satterthwaite, 2002). Direct land sales are the clearest example of capital land financing. Transparent land sale mechanisms (e.g. auctions) can have broader effects (e.g. reducing the scope for corruption). Other instruments for converting public land rights to cash or infrastructure include land pooling approaches adopted for regional economic development. Land can be used as collateral for borrowing and is often an important public contribution to public-private partnerships (PPPs) that build infrastructure. Slater and Goyal (2015) caution that the volatile nature of land assets and an over dependence on such financing may pose risks to subnational capital budgets. A strong fiscal framework is therefore required.

Research suggests that many municipal governments lack the requisite skills to raise or manage municipal finance and that subnational capacity development assistance should be embedded in all urban development projects (Sood et al., 2012). Such assistance involves building the capacity to improve local sources of revenue (especially property tax); financial management; debt absorption; debt management and monitoring; and project development and implementation to demonstrate creditworthiness and enable access to financial markets. Further, capacity development is required to establish legal provision and regulatory frameworks necessary to enable the flow of market funds to urban development sectors.

Utility companies could also be targeted to improve performance and financial viability and creditworthiness. Technical assistance should be provided for benchmarking, establishing sound regulation and performance standards, strengthening financial management systems and preparing capital investment programmes and bankable projects (Sood et al., 2012).

⁴ See Topic Guide on Communication and Governance (Haider et al, 2011)

Box 2: Lagos (Nigeria) – taxation, urban development and social capital

Over the past 15 years, the Lagos state government has increased its tax revenues, and mobilised resources for investment in infrastructure, service delivery and law enforcement. Electoral pressures as well as elite ambitions have driven reform commitments, with revenue collection identified as critical to urban transformation.

The tax system was overhauled, taxpayer compliance increased and the government pledged to be more accountable for tax expenditure. Annual tax revenues rose from approximately \$190 million in 1999 to over \$1 billion in 2011. With strong support from governors, the Lagos Internal Revenue Service increased its outreach and monitoring capacities. Teams of revenue staff regularly visited formal businesses and informal sector organisations to identify taxpayers, explain taxation and verify payment certificates. Audits increased in number from 1,500 in 2006 to over 6,000 in 2011.

Bureaucratic reforms have enhanced the state's ability to track tax revenues, identify taxpayers and create a credible threat of enforcement. However, the government has scarce financial and human resources and the logistical and political costs of attempting purely coercive tax collection are high. Progress has been made in encouraging greater tax compliance by presenting tax payment as a civic duty and part of a social contract. State revenue officials have gained the cooperation of powerful business and informal sector associations to encourage their members to pay taxes.

Positive public perceptions of state government have influenced readiness to pay taxes. A 2010 survey found provision of public goods and satisfaction with state use of revenues was correlated with willingness to pay tax: 74% of responses were somewhat or very satisfied with use of tax revenues. A national survey found Lagosians expressed the highest support among urban residents in Nigeria for the statement that 'citizens should always pay their taxes'.

Sources: Alemika et al. (2011); Bodea & LeBas (2014); de Gramont (2015).

Human and administrative capacity

A strong and capable local government is considered a key lever to ensure inclusive and sustainable urban development, facilitating governance systems that are accountable and promote balanced multi-stakeholder involvement (Sorensen & Okata, 2011). However, while many cities have undergone substantial social, economic and physical transformation, the human and administrative capacities of municipal governments have failed to keep pace (UNESCAP, 2015).

UN-Habitat (2016) comment that urban governance requires greater capacity at all levels of government and for all involved in the process. They note that capacity building for urban governance must take into account institutional capacities, the technical and professional skills of individuals, and local leadership skills. Building capacity in urban planning, budgeting, public asset management, digital-era governance,⁵ data gathering and engaging with other stakeholders are highlighted as particularly important (UN-Habitat, 2016). This requires structural, organisational and procedural provisions, and overall governance arrangements that ensure performance accountability, transparent decision-making and the inclusion of relevant stakeholders in key processes. Impediments to building human and administrative capacity and examples of low capacity include:

- complex and unclear organisational structures;
- unclear delegation of tasks between managing authorities and intermediate bodies;
- insufficient capacity and power within coordinating bodies to fulfil their role;

⁵ In the context of this topic guide digital era governance is understood to refer to the exploitation of digital storage and internet communications to transform governance.

- weak governance arrangements for holding managers accountable for performance, controlling corruption and avoiding undue political influence over project selection and staff appointments;
- high staff turnover rates and lack of appropriately qualified and experienced staff – often as a result of patronage systems;
- poor administrative capacity of municipal governments, especially smaller local authorities;
- lack of expertise leading to issues of compliance with complex national and international regulations e.g. public procurement, aid and environmental legislation;
- limited analytical and programming capacity, including insufficient capacity (and political backing) to deliver result-oriented strategies.

Understanding a particular context's political economy dynamics is likely to be crucial to effective reform, with patronage systems often a particularly important challenge (Grindle, 2010). To resolve these issues UN-Habitat (2016) call for a systemic approach that mobilises different types of education and training – high and middle-level education, technical courses, peer-to-peer learning and technical support. This includes local government and civil society exchanging information and knowledge. The involvement of civil society requires capacity building to improve the ability of community leaders and public institutions to engage in dialogue to support a collaborative approach. In addition, UN-Habitat (2016) call for stronger learning links between local governments and the business sector to foster collaboration between public officers and local stakeholders.

Service delivery

The provision of sufficient, affordable and quality basic services is considered a core function of urban governments. Delivery of services (water, sanitation, waste management and housing) correlates closely with the health and well-being of urban residents. However, in many developing countries, delivery is constrained by challenges of coordination, governance, finance and capacity, which are exacerbated by the pace and scale of urbanisation. Governments at all levels play important roles in service delivery, regulating, facilitating and collaborating with other stakeholders and institutions. National governments set the policy framework, transferring resources to local government for implementation. Primary responsibility for the provision of basic services usually rests with city or municipal government, even if delivery of services is outsourced to the private sector or NGOs. Urban governance for basic services covers the full range of arrangements through which governments and other stakeholders work together to install, deliver and manage services.

The role of municipal governments may involve some or all of the following: infrastructure provision and maintenance; environmental management; development control; land-use management; community liaison; land leases and sales; and policy development. These roles are often delegated to larger cities that have a greater capacity to deliver. Smaller towns are often reliant on central government to carry out these roles. Patterns of decentralisation and the structure of local government agencies are critical to the capability of a municipal authority to manage service provision; incoherent decentralisation often contributes to poor services. The urban poor are often disadvantaged in both market and public policy arenas and forced to access services that are expensive, insecure or illegal.

The provision of basic services is far from being a purely technical matter. The political and governance context is paramount, influencing how and where resources are allocated (Devas et al., 2004). Lack of resources is not the only explanation for inadequate provision of services. Others include the lack of an adequate national policy framework; the unresponsiveness of city government; multiplicity and rigidity of laws and regulations; the difficulty for the poor in making their voices heard; the lack of accountability of

local decision makers; and the shortage of effective and accountable CBOs and NGOs to help articulate the needs of the poor and ensure services are delivered.⁶

Collectively the reasons listed above may compel citizens to pursue informal routes in accessing basic services. As a result, parallel systems flourish and 'informality' has become the norm in many urban areas.

Whilst the issues outlined above refer primarily to the internal structures and operation of government institutions, other common issues include:

- **Multiple and overlapping structures and actors:** The presence of many different service providers creates a challenge for policy coherence, oversight and monitoring.
- **Lack of information/data:** This undermines planning and management of service delivery. Urban stakeholders need to improve data collection to facilitate decision-making in service delivery and enable justification of decisions. CSOs and NGOs can play a role here.
- **Low levels of community participation:** Service providers and municipalities need to understand what communities want, what their priorities are and what they are willing to pay for. Further, urban authorities need to create more awareness of local governments role through education and communication exercises. These initiatives may include radio programmes, city newsletters, websites, social media and workshops for civil society actors.
- **Inadequate sources of revenue:** Many urban areas rely heavily on transfers from central government, but these payments may be inconsistent.
- **Lack of adequate knowledge of local government issues:** Many countries in the global south have initiated reforms to decentralise responsibility to urban areas and to democratise decision-making. Many of these initiatives are still at an incipient stage and require prolonged and consistent support from both central governments and international agencies.

Poor levels of service, interruptions and low coverage are among the problems undermine quality of life and erode trust in local government (Jones et al., 2014a). Better governance of basic services does not necessarily mean that the government needs to provide all services, but it needs to ensure that the poor can access adequate services. This entails working with service providers (public or private), small-scale vendors, civil society organisations and low-income residents. Moreover, with a number of different government agencies and authorities playing a role in service delivery, coordination between agencies is key.

Where cities fail to provide for the needs of urban residents including the poor, women are often expected to fill the gaps (Tacoli, 2012). This adds to the already numerous demands on women's time, and to the stresses they encounter daily, such as long-distance travel, travel to multiple locations, waiting in queues and competition for scarce resources (Chant, 2013; Brouder & Sweetman, 2015).

There is a growing consensus that service providers and those who work with them need to be more accountable to vulnerable groups, otherwise truly pro-poor measures are unlikely to be implemented or sustained (UN-Habitat, 2003). Decentralised, community based and participatory approaches and processes for the design, development and implementation of urban programmes and projects increase the potential for democracy, accountability and transparency and promote local involvement and enablement.

2.3 The role of the private sector

The private sector is a key stakeholder in both urban and economic development, being a major contributor to national income and the principal job creator and employer. The private sector provides around 90% of employment in the developing world (including formal and informal jobs), delivers critical goods and services and contributes to tax revenues and the efficient flow of capital. Further, it will undertake the majority of

⁶ <http://unhabitat.org/urban-themes/urban-legislation/>

future development in urban areas (Venables, 2015: 5). It is increasingly being encouraged to help leverage the opportunities, and mitigate the challenges, of rapid urbanisation (see Topic Guides on State Business Relations, Sen 2015; and Inclusive Growth, Alexander, 2015). Private sector actors are perceived as playing a role in urban governance: they influence whether urban areas develop in inclusive and sustainable ways, and they affect poverty reduction and drivers of fragility and conflict such as unemployment, exclusion and instability (Mac Sweeney, 2008; Hameed & Mixon, 2013; Haider, 2014).

Interactive planning and decision-making processes are needed to support private sector participation in urban governance, and to co-ordinate this participation with municipalities. Pieterse (2000: 30-33) comments that municipalities can strengthen urban governance in co-operation with the private sector by fostering partnerships and **local economic development (LED) strategies** that combine local skills, resources and ideas to stimulate the local economy, enabling it to respond innovatively to national and global economic changes. For example, effective LED strategies detail how the municipality will (ibid.):

- develop and maintain infrastructure and services;
- promote and expand existing businesses;
- address inefficiencies in the local economy;
- promote human capital development, to help vulnerable groups especially to participate in the labour market;
- encourage community development by promoting community business and co-operatives, local exchange systems and informal credit etc.;
- promote small, micro and medium enterprises (SMME) through supply-side measures (training, provision of space and facilities for commercial activity etc.) and demand-side measures (reforms to procurement policy to ensure access for SMMEs to contracts);
- attract investment in the city.

An explicit LED strategy links long-term economic growth issues with short-term concerns about joblessness, inequality and the role of the private sector in a sustainable development strategy.

In **fostering partnerships**, municipalities need to build relations with local and foreign private sector interests by involving associations and companies in city-wide strategic planning processes. This can build commitment to a broader vision for the city that goes beyond short-term interests. This might involve a formalised partnership with organised business (e.g. PPPs) based on the municipality's strategic vision. Other innovative collaborations include private sector provision of managerial and technical training and support to help municipalities improve the strategic management of urban areas (ibid.).

In many countries the **informal sector** is the main provider of goods and services to the poor. City-wide development initiatives need to assist businesses with potential to mature by eliminating punitive regulations that discourage the informal sector (UN-Habitat, 2015a). But programmes need to balance two objectives: maximising the potential of informal enterprises to create jobs and alleviate poverty, while ensuring that necessary social protections and regulations are in place (ibid.). Pieterse (2000: 32) suggests a comprehensive strategy to respond to informal enterprises should include:

- supportive policies on finance and credit that involve the formal banking sector, government and NGOs;
- support for local exchange trading and barter systems where these can equitably be sustained;
- supply-side measures such as the creation of incubators where informal entrepreneurs can grow businesses with some measure of protection, alongside the development of markets;

- consideration of home-based enterprises in planning and infrastructure development initiatives;
- reform of procurement policies to promote links between established and emerging businesses.

As noted, a common approach to engaging with the formal private sector is through **PPPs**. They can be defined as contracts between a private enterprise and government, providing a public asset or service in which the private enterprise bears the risk and management responsibility and remuneration is linked to performance (Muwonge & Ebel, 2014: 18). Involving the private sector in the design, construction and maintenance of infrastructure and the provision of services has been highlighted as an area where PPPs can be particularly influential. The rationale for PPPs is that they provide a mechanism for governments to procure and implement public infrastructure including services, using the resources and expertise of the private sector (World Bank, ADB & IDB, 2014).

Building more and better infrastructure is an important goal for many economies with limited public revenues (UNDESA, 2013a). Castells-Quintana (2015) shows that the quality of urban infrastructure determines the growth-enhancing benefits of urban concentration. Countries with good urban infrastructure can accommodate rapid population increases in urban areas and sustain high economic growth (Alm, 2010). The quality of a city's infrastructure (housing, electricity, roads, airports, public transport, water, sanitation, waste management, telecommunications, hospitals, schools, etc.) also influences social inclusion, economic opportunity and quality of life (UNU, 2013).

The OECD (2007b) notes the scale of the challenge: global infrastructure investment is forecast to cost \$71 trillion by 2030.⁷ Much of this investment is required in emerging economies. The Programme for Infrastructure Development in Africa estimates that \$93 billion is needed annually in capital investment and maintenance until 2020. Currently, there is a shortfall of \$48 billion. PPPs have been identified as one possible solution (WEF, 2014: 32).

Partnering with the private sector could: extend services into poorer or informal communities, provide safer work places, promote adoption of non-discriminatory employment policies, help the poor access credit, and boost investment in low-cost housing. Examples such as the slum networking project in Ahmedabad (see Box 7) and the privatisation of Manila's water authority highlight that partnerships among urban stakeholders need to be based on a thorough understanding of community needs and pursued in tandem with other initiatives. In both contexts, the private sector actively sought out partnerships with residents of informal settlements, NGOs and municipal government. These collaborative ventures involved information, education and community campaigns to ensure that residents of informal settlements were involved and had some ownership of programmes. They also sought to provide assistance to the poorest families through the provision of micro-finance (Franceys & Wietz, 2003).

The requirements for successful partnerships include a buoyant private sector alongside a capable and authoritative local government motivated by a common economic interest (Devas et al., 2004). Policymakers need a clear vision of PPP objectives and a sound understanding of the local context to appreciate advantages and limitations (Phang, 2009). A thorough analysis of the long-term development objectives and risk allocation is essential. However, in many regions the legal frameworks dealing with tendering, contracts and oversight are weak or unimplemented, and this lack of clarity discourages domestic and foreign business investment. At the same time, PPPs have proved complex to implement, involving pre-feasibility studies and requiring high technical expertise and negotiation capacities (UN-Habitat, 2016). National and local governments often lack the information and expertise necessary to negotiate on an equal footing with companies that have extensive experience in public service delivery.

To enable the private sector to engage in urban planning, public policy and development objectives, the public sector needs to (UN, 2008; Khan et al., 2016: 40):

⁷ This figure represents about 3.5% of forecasted global GDP.

- Consider incentives that encourage private sector participation. World Bank research (2005) suggests legal and regulatory reform is necessary to support more sustainable economic growth and enhance the private sector's impact (see Box 3).
- Consider arrangements beyond PPPs to meet its financial needs (e.g. fiscal decentralisation, issuing municipal bonds, etc.) and non-financial obligations (improving service provision through better management of operating systems, reducing distribution and transmission costs, reducing water and electricity theft by informal network providers, combating corruption, promoting e-governance, etc.).
- Implement specific policy instruments and interventions that complement, coordinate and collaborate with the private sector rather than compete against it.

Whilst the emergence of the private sector as a key player in delivering large-scale land development and infrastructure has been beneficial to many financially challenged cities, when poorly managed, PPPs and privatisation can lead to a weakening of public regulation, and contribute to urban fragmentation and increasing inequality – particularly in access to land and services (UNESCAP & UN-Habitat, 2015: 161). Fox and Goodfellow (2016: 157) caution that privatisation has often failed to improve services for the majority of urban dwellers and been accompanied by price increases that have led to disillusionment. They note that where privatisation has led to improvements, it has usually been at the expense of universal coverage, with low-income areas excluded.

Box 3: Kigali (Rwanda) – from conflict to global success

Rwanda's national plans include strategies for the development of targeted sectors such as tourism, ICT, financial and professional services, mining, and agriculture. In the mid-2000s, a national land tenure regularisation programme improved Rwanda's land registration process. This enabled the functioning of land markets based on private ownership, facilitating a real estate and construction boom and contributing to GDP growth and job creation.

Kigali has benefited from economic development efforts. Its employment and income growth has outpaced Rwanda's national average. The capital has attracted skilled workers from around the country, while international talent attraction campaigns have targeted the Rwandan diaspora, encouraging their return.

Effective city-level initiatives have complemented national policies. After years of conflict, some prerequisites for economic growth have included improved public safety, stronger governance and an improved business climate, more effective public services and better overall 'liveability'. Transparency and accountability have been improved through the award of performance-based contracts and adoption of a zero-tolerance corruption policy. Institutional capacity within city-government agencies has been strengthened through the successful attraction of high-quality professional staff, as well as through effective partnerships with foreign institutions, supporting the adoption of global best practices. Tax collection rates have improved, accompanied by the provision of better basic services. The establishment of a 'One Stop Shop' that combined all public agencies involved in approving construction permits removed a key impediment to business growth, ensuring the receipt of permits within 30 days of application.

Goodfellow (2014) notes that aspects of the government's urban agenda have been disadvantageous to the poor, and it is unclear whether it is furthering or hindering Rwanda's economic growth, structural transformation and political stability. In particular, the expropriation of urban land and the political-economic interests embedded in the real estate sector have critical impacts on Rwanda's and Kigali's development.

Sources: Kulenovic & Cech (2015); Goodfellow (2014)

2.4 Political systems and institutions

A critical factor influencing whether cities are governed in a sustainable, inclusive and pro-poor manner is the operation of local institutions and whose interests they represent. These institutions define the framework for citizen-citizen and citizen-state interactions, and influence collective decision-making over the allocation of public resources and delivery of local public services (Shah & Shah, 2006: 1-2). Formal political institutions play a role in determining the process for electing leaders; the roles and responsibilities of the executive and legislature; the organisation of political representation (through political parties); and the accountability and oversight of the state (Scott & Mcloughlin, 2014). These institutions and systems play a pivotal role in regulating political, social and economic engagement and determining how public authority is secured and used (e.g. constitutions, laws, customs etc.). They also determine how, where and upon whom resources are allocated and spent.

Informal and customary political systems, norms and rules can operate within or alongside these formal structures (Scott & Mcloughlin, 2014:1). The literature has tended to presume a clear dichotomy between formal and informal, traditional and modern, democratic and non-democratic political systems – yet they overlap and interrelate. Three factors are particularly important in understanding these systems and institutions (Devas et al., 2004; Fox & Goodfellow, 2016):

- The political context. At the local level, this refers to the socio-political public space available to urban actors (including the poor) and their ability to exploit that space. At the regional and national level, this refers to the institutions and rules that govern political behaviour, the political culture and the nature of the national regime.
- The way formal structures and procedures of the urban political system are designed and how they work in practice.
- The political actors involved, their goals and demands, resources, strategies and tactics, and the power relationships among them.

According to UN-Habitat (2016) many urban areas suffer from an imbalance of political power and insufficient inclusiveness and participation. Collective decision-making has failed to address the gap between national developmental agendas and local needs. Women, youth, minorities, the urban poor and those with disabilities, for example, are often excluded from decision-making (ibid.). Further, exclusion can be influenced both by who you are (i.e. your ethnicity, class or religion) and where you live (i.e. those in informal settlements or peri-urban areas may fall outside the defined administrative responsibility of city government).

In urban areas more attention needs to be paid to the political, economic and social drivers of bargaining and distributional conflicts between groups over policy, goods and services (Desai, 2010; Muggah, 2012; Jones et al., 2014a). It is therefore important to understand both the political economy that underlies institutions of urban governance and how local power hierarchies influence the distribution and allocation of resources. Carter (2015: 2) identifies the principal political economy constraints that influence decision-making in urban areas:

- **Wider political economy context:** failure of governance structures to keep pace with the growth, complexity and density of urban areas; combined pressures such as urbanisation and environmental change; the relationship with the national political settlement; and conflict and fragility.
- **Governance framework:** policy incoherence; institutional fragmentation; incomplete decentralisation; the proliferation of service providers; the nature of city politics; and the role of informal political incentives.
- **The urban poor's political agency:** electoral dynamics; clientelism; elite capture of services and decision-making processes.

- **Collective action:** social and political polarisation: transient poor populations living in informal settlements and exploitation by community organisations or NGOs.
- **Service delivery dynamics:** political market imperfections, policy incoherence, and challenges to collective action.
- **Conflict and violence:** rapid urban growth; social and income inequality; legacies of armed conflict; political authoritarianism and repressive policing.
- **Vulnerable groups:** exclusion and adverse incorporation of women and girls, youth, rural migrants, foreign immigrants and residents of informal settlements, etc.

With a range of actors (formal and informal) participating at different levels in decision-making, there is a need to foster network-based instead of hierarchical governance (Jordan, 2008). For example, the evolving roles of private and public actors, combined with new forms of political participation, have in some contexts facilitated a transformation of urban governance (if only temporarily).⁸ In such contexts, institutions and the values that underpin them have played an instrumental role in aligning and reconciling interests and fostering shared paradigms of urban governance and development. However, failure to agree on a shared vision in many urban areas has hindered cooperation, even when actors share common objectives. Limited capacity and legitimacy of government agencies, weak performance and accountability mechanisms and the immaturity of political institutions can undermine urban governance and result in pervasive clientelist relations and corrupt practices.

In many cities there is recognition that it is at the local or neighbourhood level of government that increased responsiveness and improved service delivery can best be delivered. However, as with higher levels of government, the representativeness and effectiveness of local governance depends on its legislative basis, the powers and resources available, the arrangements for representation, the nature of leadership and the relation between it and higher tiers of city and regional government. Democratic representation at this level may be based on elections but it is also here that opportunities arise for innovative democratic practices, such as direct, deliberative or participatory democracy. According to Andrews and Shah (2005), to create political systems and institutions that work for the poor, a framework of urban governance must facilitate citizen empowerment through a rights-based approach (i.e. direct democracy provisions); facilitate bottom-up accountability involving evaluation of government performance as facilitator of a network of providers by citizens as governors, taxpayers and consumers of public services.

⁸ See for example Box 7 on the Slum Networking Project and Box 8 on cities, climate change and multilevel governance.

3. Key policy challenges for urban governance

Key messages

- Urban governance is often neither **inclusive nor participatory**. There are large gaps between the poor and non-poor in their access to social, economic and political opportunities and ability to participate in and leverage the benefits of urban living. Governance frameworks need to encourage policy coordination at local and regional levels and include the voices and participation of the poor.
- The importance of the **informal sector** to urban economies and to the livelihoods of the poor is often not fully understood, and limited attention is given to working with and not against the informal sector.
- Urban authorities generally fail to provide adequate **access to services** for the poor. There is scope for improvement by, for example, breaking down barriers to collective action, creating incentives for resourcing service provision and introducing appropriate pricing and revenue models.
- While cities are inherently sites of **conflict**, effective urban governance arrangements can reconcile differing views by encouraging debate and the formation of broad coalitions of interest that promote developmental activities.
- **Migration** is often seen as contributing to shortages of housing, infrastructure and services as well as tensions between migrant and host communities. Migration policies can be improved by paying attention to the nature of migration, the vulnerabilities of migrants and host communities, and facilitating the participation of migrants in civic and political life.
- Urban areas are major contributors to **climate change** and are central in addressing it. Policymakers need to better integrate international and national climate strategies with regional and local urban policy frameworks.

Cities in both developed and developing countries face an array of economic, environmental, social and political challenges. These challenges are especially pronounced in urban areas of the global south where economic development is contributing to the rapid spatial and demographic expansion of urban areas, and local government structures are struggling to keep pace. City boundaries and administrative demarcations have struggled to adapt as the ‘economic city’ has become much larger than the ‘administrative city’. With outdated institutional and territorial demarcations, public interests are poorly represented and the urban poor are often geographically, economically and socially excluded and most vulnerable to challenges. This section outlines key urban governance challenges and highlights potential tools, strategies and policies for addressing them.

Cross-cutting themes underpinning urban governance include:

- **Understanding of the local context.** Developing effective solutions to complex challenges requires an understanding of local economics, politics and social relations, as well as informal and formal processes and structures. Sound political economy analysis supports this and identifies key impediments to action.

- Thinking and working politically. Strategies are considered to work best and be least liable to do harm when the people designing them are thinking and working politically (TWP). This requires donors to find new ways of partnering with organisations that can act creatively and flexibly to solve development problems (Booth, 2015).
- Iterative and adaptive approaches. These approaches can respond proactively to changing local dynamics and are more suited to the complexity of urban development challenges. Urban governance involves a large number of interacting factors and actors, making desirable outcomes difficult to achieve and predict. Prescriptive, one-size fits all strategies are likely to fail as they may not be relevant to the local context (Booth & Unsworth, 2014).
- Listening to the urban poor. Adopting innovative means of creating space for their participation in decision-making processes is pivotal (Mitlin, 2006). While this can be challenging given limited resources and expertise within urban government, not doing so risks leaving behind those who are already disenfranchised and discriminated against.

3.1 Participation and inclusion

Ensuring municipal governments leverage economic growth to address inequality and foster inclusion is a multidimensional challenge. A central facet of urban governance is negotiating the relationships among stakeholders. This can be facilitated by governance frameworks that encourage policy coordination at local and regional levels but also include the voices and participation of the poor.

Given the growth of urban poverty,⁹ it is clear that the poor have both an interest and a central role to play in governing urban areas (UN-Habitat, 2013b). The urban poor have, however, largely been excluded from participating in the governance of urban areas, with their interests ignored or only partially addressed in exchange for political support. Large gaps exist between poor and better-off urban residents in terms of access to social, economic and political opportunities (particularly decision-making) and more broadly, their ability to participate in, and leverage, the benefits associated with urban living. This inequity influences a range of issues including gender equality, reductions in child mortality and improvements in reproductive health, education, income, housing and security. Much of this discrepancy has to do with the interrelationship of discrimination, uneven capacity to draw on patronage networks, and urban management and governance.

Fostering inclusive urban governance may contribute to poverty reduction through the development of a stable, cohesive society characterised by high levels of trust and participation. However, the notion of inclusion and the means of achieving it require interrogation (Vinson, 2009):

- Socially inclusive societies engender increased participation and social cohesion.
- Political inclusion, through power-sharing agreements, correlates with the consolidation of peace. Conversely, political exclusion may play a decisive role in the recurrence of conflict.
- Inclusive economic institutions have a significant effect on per capita income.

An underlying narrative assumes social inclusion is inherently good and desirable. Yet the terms of inclusion can be problematic, disempowering or inequitable. Certain groups, such as indigenous peoples, women, children and residents of informal settlements, may find the rhetoric of inclusion and participation often translates into further exclusion (Combaz & McLoughlin, 2014).

⁹ Globally, over a quarter of urban residents live in informal settlements (UN-Habitat, 2013b).

Gender equality

For women, urbanisation can facilitate: increased legal protection; the narrowing of gender gaps in primary schooling and higher university attendance; improved access to services and infrastructure; greater employment opportunities; and a relaxation of gendered socio-cultural restrictions compared with rural settings (Chant, 2013; Klugman et al., 2014; Chen & Skinner, 2014).

However, women and girls are more likely to live in poverty, to experience discrimination and to be marginalised in urban governance processes (IWPR, 2015). ActionAid (2013) highlight that the lack of public services and the controls imposed on women limit their autonomy both within and outside the home. Barriers to inclusion and participation include (ibid.):

- absence of labour and citizen rights, reducing access to employment opportunities and services;
- unequal access to education;
- gendered challenges to health and well-being, such as increased vulnerability to gender-based violence (GBV) and natural disasters;
- legal restrictions, especially discriminatory property rights, that limit women's full participation and independence;
- a division of labour that holds women responsible for unpaid family care and domestic work responsibilities, while also demanding their involvement in paid employment;
- time poverty resulting from double duties at home and work, limit women's access to the public sphere.

The growth of the informal economy and settlements affects women disproportionately, not only because they are generally poorer than men,¹⁰ but also because they lack decision-making opportunities and experience greater difficulty accessing resources and services tailored to their needs (UN-Habitat, 2015c). These barriers contribute to the range of obstacles women face in participating in social, economic and political processes.

Urban governance can help address some of these challenges. **Gender-sensitive governance** involves both the substantive representation of women in urban decision-making and enhanced awareness and understanding of gender-specific needs within the governance structure (Beall, 1996). It is seen as elevating women's voices and participation in decision-making and their agency to effect change. It identifies gaps in policy and service provision that disproportionately affect women, acknowledging their unique contribution to urban settings in the formation of policy responses. It involves the meaningful interaction of government representatives with grassroots women's movements and civil society groups that actively advocate on women's issues and gender equality (ibid.). Strategies to meaningfully increase women's voice and agency include (IWPR, 2015):

- collective action, for example through unions, CBOs, social justice movements and the use of technology and social media, to enable women to access social, economic and political resources;
- gender quotas at local, regional and national levels;
- well-resourced and strategically located governmental bodies, such as parliamentary caucuses or bureaucratic offices, dedicated to the advancement of women's interests;
- political literacy training for women;
- increased financial resources and support for women running for public office;
- improved social support such as childcare.

¹⁰ Three-fifths of the world's billion poorest people are women and girls (UN-Habitat, 2015c).

Experience of empowering women within urban governance structures demonstrates a need to pay particular attention to the gendered ways in which power is exercised (IWPR, 2015). Women may remain excluded if policies do not address normalised forms of exclusion, violence and inequality in patriarchal societies (ActionAid, 2013). While it is difficult for the state to eradicate deeply embedded gender norms, it must pay attention to their effects in shaping existing patterns of authority, power and legitimacy. This involves more than 'making space' for women within the official structures of urban development projects. It requires the capacity and will to support women's autonomy in the complex landscape of governance-as-practised (Williams et al., 2015).

Community participation

Decentralisation is increasing local governments' responsibilities, and democratisation is increasing their accountability to stakeholders. This brings opportunities and challenges for supporting citizen participation and coalitions of the poor. City managers need to be more responsive to communities and civil society groups and involve those affected by changes in policy or planning (UNESCAP & UN-Habitat, 2015). Participation is one means of facilitating inclusive governance, active citizenship and resilient cities.

In recent years, a number of countries have experimented with different ways of supporting participation, including: referendums, citizens' fora, citizens' juries, collaborative governance and participatory budgeting. Participatory processes can deliver results (Michels, 2011):

- Deliberative forums and surveys promote the exchange of arguments and establish preferences.
- Referendums and participatory policymaking projects facilitate citizen influence.
- Participation, enhances knowledge regarding government actions and may increase competency and familiarity with participating in public decision-making.

Evidence suggests the success of participatory processes depends on the degree to which communities are willing and able to mobilise as well as the state's responsiveness (Mansuri & Rao, 2013). Citizen engagement may also depend on the opportunity costs of participation, which can be especially high for poor people.

Further, there may be unintended consequences of engineering participatory processes: participants tend to be wealthier, better educated, of higher social status, male and more politically connected. In this situation, an injection of resources for a participatory project can reinforce inequalities (ibid.). Cooke and Kothari (2001) refer to participatory processes as a set of practices that are at best naïve about questions of power and at worst serve systematically to reinforce rather than mitigate inequalities.

Engagement with CSOs and NGOs is one means of engendering poor communities' participation. However, government (national and local) and the international community have consistently failed to recognise the role of organisations of the urban poor in reducing poverty (Mitlin & Satterthwaite, 2012). Despite this, federations of the poor have emerged in many countries and can help design, implement and manage responses to community needs. Examples include:

- **National Slum Dwellers Federation**, founded in the 1970s, is an organisation of community groups and leaders in slums and informal settlements across India. It mobilises the urban poor to articulate concerns and find solutions to problems.
- **Shack/Slum Dwellers International** is a network of CBOs in 33 countries across Africa, Asia and Latin America. Urban poor federations in each country mobilise to build voice and collective capacity in poor communities.
- The **Asian Coalition for Community Action** seeks to transform development options for the urban poor by supporting community-led change in 165 cities in 19 countries. Activities build on successful models of people-led community development, scaling them up.

For municipal governments, working with coalitions of the urban poor requires not only political will but also a change in how politicians and bureaucrats perceive the poor and their representatives (d’Cruz & Satterthwaite, 2005: 2). A common critique of typical hierarchical government is that the poor are viewed as passive recipients of policies and programmes rather than active participants (UNFPA, 2007).

Greater coordination and participation can be facilitated by ensuring formal partnerships are rooted in informal processes of networking, characterised by trust, cooperation and mutual advantage. Achieving community participation depends on individuals’ motivation and whether they believe participation will deliver practical results. It is a balancing act between the costs of involvement and uncertain longer-term gain, as well as between organisational interests and those of the wider community. Time, organisational support and resources underpin the development of effective community engagement. Networks must be supported with community involvement widened and resources strengthened (d’Cruz and Satterthwaite, 2005). Leveraging technology to identify the interests of the urban poor and facilitate greater involvement and inclusion of marginalised or silenced groups may have some potential e.g. participatory mapping (see Box 6) or the use of ICTs to assess community perceptions (Box 4 below).

Policymakers, civil society and the urban poor need to share information on who the poor are, how their numbers are expanding, where they live, what their needs are and what obstacles are faced in asserting their rights (Duflo et al., 2012). Despite some efforts towards the inclusion and increased participation of the poor in urban initiatives, involvement remains low.

Box 4: Jakarta (Indonesia) – ICTs and enhanced local government decision-making

Democratisation and decentralisation are central components of Indonesia’s policy platform. Alongside this, local governments are seeking opportunities to better collect and understand citizens’ opinions on public services and local development. Pulse Lab Jakarta applied advanced data analytics to local government decision-making by collating insights from existing complaint systems and feedback from citizens on social media.

Two citizen feedback systems exist for local governments. LAPOR! is the national complaint system, to which a citizen can report complaints via SMS or the internet. It is designed to improve accountability and the quality of public services. Many local governments also operate their own SMS-based feedback mechanisms. In addition to these, social media captures discussions of issues of concern.

Pulse Lab Jakarta and government partners in Nusa Tenggara Barat province identified an opportunity to supplement formal feedback with that in social media. Pulse Lab suggests the results demonstrate the value of:

- near real-time information on public policy issues and their corresponding locations within constituencies;
- enhanced data analysis for prioritisation and rapid response;
- publication of feedback on public dashboards, which enhances transparency and helps constituents understand how feedback is processed.

Source: UN-Global Pulse (2015).

Strategies for the poor: autonomous action, claim-making and co-production

Three forms of action are available to the urban poor to address their needs: autonomous action (independent of the state), claim-making (making demands on the state), and co-production (working with governments and aid agencies in decentralised flexible poverty reduction initiatives) (IIED, 2008: 2).

The scale and importance of **autonomous action** of the urban poor is often underestimated; collective action may be invisible to outsiders. Actions may include establishing savings groups, clubs and parents’ associations supporting local schools, for example. However, there are limits to the effectiveness of collective action independent of government, given the scale of the challenges and the limited resources

available to the urban poor (Hasan, 2006). Low-income groups have limited capacity to collectively set up and manage infrastructure and services. In addition, given the diversity of actors in urban areas, it may be difficult to garner the necessary consensus for collective action or defuse disagreements when they arise. This is particularly challenging where conflicts of interest, political allegiances, ethnic ties, language or religion can undermine attempts to organise (Lemanski, 2008).

Claim-making is the most common strategy for getting needs addressed (IIED, 2008). The history of many informal settlements is one of slow and difficult negotiation with government agencies for services, tenure and house upgrading. These claims often form the basis of clientelist relations, which are ubiquitous in urban politics (Mitlin, 2006).

Citizen-led **co-production** refers to the joint development of public services by citizens and state. Many organisations of the urban poor have sought to shift engagement with government from making demands to offering partnership (IIED, 2008). They recognise that state agencies cannot fulfil their obligations alone, and organisations and federations of the urban poor can facilitate, design and implement cheaper and more effective responses. Principles of co-production include the following (Löffler, 2008):

- Service users are seen as active asset-holders rather than passive consumers.
- Collaborative relationships between staff and service users are promoted.
- The focus is on delivery of outcomes rather than just ‘services’.
- Co-production can be substitutive (replacing local government inputs with those from communities) or additive (adding more community inputs to professional inputs or introducing professional support to previous individual self-help or community self-organising).

Table 1: Types of co-production

Co-commissioning of services, which embraces:	<ul style="list-style-type: none"> ▪ Co-planning of policy – e.g. deliberative participation, Planning for Real®, Open Space¹¹ ▪ Co-prioritisation of services – e.g. individual budgets, participatory budgeting ▪ Co-financing of services – e.g. fundraising, charges, agreement to tax increases
Co-design of services – e.g. user consultation, service design labs, customer journey mapping	
Co-delivery of services, which embraces:	<ul style="list-style-type: none"> ▪ Co-management of services – e.g. leisure centre trusts, community management of public assets, school governors ▪ Co-performing of services – e.g. peer support groups (such as expert patients), Nurse-Family Partnerships, meals on wheels, Neighbourhood Watch
Co-assessment (including co-monitoring and co-evaluation) of services – e.g. tenant inspectors, user online ratings, participatory village appraisals	

Source: Bovaird & Loeffler (2012: 4–5).

Participatory budgeting is one example of co-production that has shown some potential in developing pro-poor policies and spending. It originated in the late 1980s in Porto Alegre (Brazil) as an experimental, consultative process driven by city government and social movements. Part of the city's budget was determined through an annual consultative cycle (see Box 5). A World Bank evaluation (2008b) of participatory budgeting in Porto Alegre identified high levels of participation and a shift in capital spending towards pro-poor projects, but also highlighted monitoring problems. The process enabled citizens to influence capital investments but it failed to create space for debate.

¹¹ See <http://www.planningforreal.org.uk/what-is-pfr/> and <http://openspaceworld.org/wp2/what-is/>

Although participatory budgeting is in its infancy in Asia and the Pacific, examples from Pune (India) and Asian Development Bank (ADB) projects in Indonesia and Pakistan show enhanced awareness of resource allocation and budgeting among citizens (UN-Habitat, 2010a). For instance, social audits facilitate community scrutiny of public expenditure and help government departments plan, manage and measure non-financial activities and monitor the impact of their social and commercial operations. In the Marshall Islands, a joint government–civil society initiative, Gender and Youth Sensitive Public Expenditure Management, aimed to increase budget allocation for women and youth. Budget analyses have also been used for advocacy and steering government priorities in favour of disadvantaged citizens. In Indonesia, the Bandung Institute of Governance Studies analysed the impact of housing policy and budgets on informal settlements, and the Coalition for Women focused budget advocacy on women’s concerns.

Box 5: Porto Alegre (Brazil) – participatory budgeting

Participatory budgeting in Porto Alegre began in 1989. Citizens present their demands and priorities for civic improvement, exerting an influence through discussion and negotiation of budget allocations. Since its inception allocations for public welfare works in the city have been made only after the recommendations of public delegates and approval by the city council. Participatory budgeting has improved the city’s facilities: sewerage and water connections increased from covering 75% of total households in 1988 to 98% in 1997. The number of participants in the process reached 40,000 per year in less than a decade, indicating success in encouraging citizen involvement.

This has inspired other municipalities to follow suit: participatory budgeting has been adopted in over 1,500 cities worldwide. It has improved the accessibility and quality of services in municipalities, and empowered low-income groups. However, lack of representation of the poorest is a shortcoming that needs to be addressed.

Sources: Ganuza & Baiocchi (2012); World Bank (nd).

3.2 The informal economy and informal settlements

A defining feature of rapid urbanisation in developing countries has been the growth of the informal economy and settlements. Certain groups suffer disproportionately from informal arrangements, most notably migrants, women, the disabled and children. Children, for example, are particularly vulnerable with mortality rates exceptionally high in informal settlements. Mitlin and Satterthwaite (2012) note that in certain informal settlements in Nairobi (Kenya) child mortality rates are twice as high as the national average. In terms of employment, poor women are often concentrated in low-wage, low-skilled and home-based jobs in the informal sector. They face unique barriers in accessing health and other services, denying them the advantages associated with urban living (UNFPA, 2014b). Informality of all types is a sensitive political issue. Efforts to provide or improve housing for those living in informal settlements, or to bring informal workers into the formal economy by introducing new regulations and taxes, may be undermined by politicians pursuing political support (Goodfellow & Titeca, 2012).

The informal economy

The informal economy refers to all units, activities and workers in informal employment and the output from that employment that is partially or fully outside the auspices of government (UN-Habitat, 2015a). Those who are employed in the informal economy face a number of challenges:

- long working hours, low pay and difficult working conditions;
- low job security, high turnover rates and low job satisfaction;
- inadequate social security regulation;
- difficulty exercising rights, for example combating child and forced labour and discrimination;
- vulnerable, low-paid or undervalued jobs (particularly for women);
- lack of representation.

The estimated proportion of people in informal employment in non-agricultural activities is significant (ILO & WIEGO, 2013: xv). In South and East Asia (excluding China), informal employment constitutes on average 60% of non-agricultural employment, ranging from 42% in Thailand to 84% in India. Similar findings are reported in sub-Saharan Africa: informal employment ranges from 33% in South Africa to 82% in Mali.

Women represent a greater share of the non-agricultural informal economy workforce. In South Asia the ratio is 83% of women to 82% of men; in Sub-Saharan Africa 74% to 61% and in Latin America and the Caribbean, 54% to 48%. In Abidjan (Côte d'Ivoire), 90% of women have informal jobs compared with 70% of men (Vanek et al., 2014). Similarly, young people are overrepresented in the informal economy. Based on averages across 10 countries, up to 80% of young workers are employed informally (ILO & WIEGO, 2013).

Considering the negative long-term implications of operating in the informal economy for workers and their families, various donors have called for its gradual integration into the formal economy (UN-Habitat, 2015a). Williams and Lansky (2013) distinguish between hard and soft policy. Hard policies seek to deter individuals and firms through crackdowns or penalties, as well as giving positive incentives for compliance with rules and regulations (e.g. directly supporting micro-enterprise development). Soft policies support measures that improve conditions of employment and expand decent work opportunities.

Some advocate a more context-specific and holistic approach, a 'transition to formality' (ILO & WIEGO, 2013) that recognises that a gradual process is likely to be more effective. Four broad goals underpin this transition (Chen, 2012: 17–19):

- creating more 'decent' jobs, preferably formal;
- registering informal enterprises and regulating informal jobs;
- extending state protection to the informal workforce, especially the poor;
- increasing the productivity of informal enterprises and the income of the informal workforce.

Transitions to formality should support and enhance, rather than undermine, opportunities and livelihoods (UN-Habitat, 2015a). In the urban context, specific areas of action include:

- **Developing an understanding of the informal economy** through data collection and analysis e.g. labour force surveys (Vanek et al., 2014).
- **Adopting tailored, context-specific responses** that acknowledge the interrelationship between informality and basic securities such as property rights, land-use status and residency. Extending coverage requires the implementation of coordinated instruments adapted to the characteristics of different groups (ILO, 2008; 2010).
- **Prioritising spatial solutions.** Urban planning needs to include informal workers and enterprises, providing access to basic services, facilitating transport and allocating space for expanding productive opportunities to the poor.
- **Planning for social inclusion.** Programmes for specific groups need to include economic empowerment of women and youth. Local governments can nurture an enabling environment for collective bargaining by engaging the membership of trade unions, federations and CBOs, etc.
- **Building partnerships.** Policies to address the informal economy need to be based on partnerships between authorities (local, regional and national), urban actors (informal economy workers and enterprises) and the private sector.
- **Learning from international good practice.** In India, home-based workers have received basic infrastructure services; street vendors have been allocated sites by the local municipality; and waste pickers have received contracts to collect, sort and recycle waste. In South Africa, street vendors receive infrastructure and technical support. Waste pickers in Colombia are paid to collect, sort and recycle waste. The Thai government has implemented an act to support home-based workers.

Informal settlements

The growth of informal settlements, slums and poor residential neighbourhoods is a global phenomenon accompanying the growth of urban populations. An estimated 25% of the world's urban population live in informal settlements, with 213 million informal settlement residents added to the global population since 1990 (UN-Habitat, 2013b: 126–8). Informal settlements are residential areas where (UN-Habitat, 2015b; Brown, 2015):

- inhabitants often have no security of tenure for the land or dwellings they inhabit – for example, they may squat or rent informally;
- neighbourhoods usually lack basic services and city infrastructure;
- housing may not comply with planning and building regulations, and is often situated in geographically and environmentally sensitive areas (see Topic Guide on Provision and Improvement of Housing for the Poor, Patel, 2013).

A number of interrelated factors have driven the emergence of informal settlements: population growth; rural-urban migration; lack of affordable housing; weak governance (particularly in policy, planning and urban management); economic vulnerability and low-paid work; marginalisation; and displacement caused by conflict, natural disasters and climate change (UN-Habitat, 2015b).

Many governments refuse to acknowledge the existence of informal settlements, which undermines city-wide sustainable development and prosperity. These settlements continue to be geographically, economically, socially and politically disengaged from wider urban systems and excluded from urban opportunities and decision-making (UN-Habitat, 2015f). City government attitudes to informal settlements range from opposition and eviction to reluctant tolerance and support for legalisation and upgrading. Upgrading informal settlements, through tenure regularisation and provision of infrastructure, is widely accepted as preferable to relocation (Devas et al., 2004), helping to sustain social and economic networks considered vital for livelihoods.

Box 6: Map Kibera (Nairobi, Kenya) - Technology and citizen empowerment

Map Kibera provides an example of a community information project that leverages mobile phone and geographic information system (GIS) technology to aid data collection, reporting and publication of information. The project was initiated in 2009 in response to the lack of information about the informal settlement of Kibera.

Community involvement included mapping the informal settlement, participatory GIS sessions, and work with local organisations to identify key community issues. Citizens located and recorded the positions of markets, schools, religious centres, hospitals, clinics and pharmacies, toilets and water points. The first digital map of Kibera was generated and made publicly available through OpenStreetMap. Maps were also created to improve the safety of women and girls, with locals recording which areas were dangerous, safe and where there were no streetlights. Map Kibera also sought to empower the community through citizen journalism. The Voice of Kibera website was established, where residents could post stories and share information via SMS. This information was subsequently geo-located on maps.

The Map Kibera Project had a tangible impact on the community, serving practical purposes such as labelling and monitoring polling stations (2013), publishing service provider locations, warning citizens about natural disasters, and improving NGOs' awareness of local needs. Most importantly, Kibera is no longer invisible and now has a community of engaged, skilled citizens, trained to use technology to advocate change.

Sources: Hagen (2011: 69-94); Tavaana (nd)

Living in informal settlements disproportionately affects certain groups. Informal settlements often sit on the periphery of urban areas, lacking access to markets and/or resources. For women, for example, this can heighten barriers they face in accessing livelihood opportunities. Home-based workers also face challenges to entrepreneurial activity (Chant, 2014). Women in informal settlements spend more time and energy accessing basic services than other urban counterparts, limiting their ability and time to earn through paid employment (UNFPA, 2007). In addition, the prevalence of male-biased land tenure policies and restrictions on women's rights to own property decreases the likelihood of alternative housing options. Poor quality housing, or eviction and homelessness, can also increase the risk of insecurity and sexual violence (Chant, 2013; McIlwaine, 2013).

Countering the negative aspects of informal settlements requires governments to recognise the challenges residents face and actively include them in wider city systems. However, the regularisation of settlements may not overcome the stigma associated with living in certain areas. UN-Habitat (2015b: 6-7) identifies a number of key drivers for action:

- **Recognition of informal settlements** and human rights. Urban authorities that adopt rights-based policies and integrated governance create prosperous, sustainable and inclusive cities.
- **Government leadership.** National governments must provide enabling environments to develop and implement appropriate policies to bring about change. Government at all levels must connect key stakeholders, harness local knowledge, enact policies and plans and manage incremental infrastructure development.
- **Systemic and citywide/at-scale approaches.** Initiatives work best when they capitalise on agglomeration economies; use innovative financing and taxes; ensure equitable land management; recognise multiple forms of employment; reintegrate informal settlements with infrastructure and services via planning and design; clarify administrative responsibility for peri-urban areas; and undertake sensitive planning to avoid exposure to environmental hazards.
- **Integration of people and systems.** Governments must develop and coordinate broader integrated frameworks that are underpinned by urban planning, legislation and finance arrangements; are supported by interconnected institutional arrangements; and ensure the inclusion of marginalised groups and key stakeholders. Participation must be at the heart of this approach, ensuring an understanding of economic and social community dynamics.
- **Housing.** The provision of affordable, adequate housing, including in situ upgrading and avoidance of forced evictions, security of tenure and livelihood and employment generation, all play a role in urban prosperity.
- **Long-term financial investment and inclusive financing options.** Sustained investment in affordable housing and upgrading programmes is critical. This includes pro-poor housing plans and financing support for all tiers of government.
- **Developing participatory, standardised and computerised data collection.** Residents of informal settlements should be engaged in local data collection. Data collected at community level must be standardised and linked to city, regional, national and global comparative indicators. Data collection must also be embedded in monitoring and evaluation processes.
- **Peer learning platforms.** Platforms that draw on stakeholders' knowledge should be prioritised to facilitate peer learning. These platforms may include a range of communication strategies and multimedia mechanisms.

3.3 Access to services

The provision of sufficient, affordable, good quality basic services is considered a core function of urban government. Delivery of services (water, sanitation, waste management and housing etc.) correlates closely with the health and well-being of urban residents. Inadequate service provision also affects the development of human capital, constraining prospects of escaping poverty. However, in many developing countries, the delivery of urban services is constrained by coordination, governance, finance and capacity challenges, exacerbated by the pace and scale of urbanisation.

Policy incoherence and institutional fragmentation have complicated the delivery of services in urban areas (Jones et al., 2014a). Incomplete decentralisation has had a negative impact on urban service delivery when service provision is transferred to subnational authorities with inadequate resources and the centre retaining political and economic power (Boex et al., 2013; Resnick, 2014). While the proliferation of service providers (public, private, formal, informal) in fast-growing cities can improve choice and availability, it also makes it difficult for authorities to coordinate, regulate and monitor delivery and for citizens to hold providers to account (Boex & Edwards, 2014; Jones et al., 2014b).

Inadequate service provision hinders the efforts of the poor to overcome vulnerability: people spend more time and resources seeking alternative provision, often of poorer quality and higher cost. Duflo et al. (2012) suggest obstacles to effective basic service provision can be categorised in three ways:

- supply constraints (e.g. the cost and technical complexity of providing infrastructure);
- demand constraints (e.g. unwillingness or inability to pay for services);
- institutional constraints (e.g. horizontal governance failures where neighbouring municipalities fail to cooperate or manage services effectively).

Jones et al. (2014a) find governance and political economy factors play a determining role in effective service delivery, but conclude that the available evidence is weak on the key governance challenges specific to urban areas, or how these can be overcome (see Table 2).

Table 2: Key common governance constraints

Governance constraint	Definition
Political market imperfections	Political logic often based on patronage or clientilistic relationships contributing to short-term, populist policies and bias towards visible outputs
Policy incoherence	Contradictions within policy design, structure and roles, affecting some part or the entirety of policy processes
Inadequate performance oversight or monitoring	Insufficient performance regulation and weak accountability, contributing to users exiting from provision
Challenges to collective action	Weak capacity of actors to coordinate their activities and work together productively
Moral hazard	Availability of aid or other resources that insulate the state (or others) from the consequences of their actions or inaction

Source: Adapted from Wild et al. (2012: 4–5).

Improved urban governance is central to addressing many of these challenges. For example:

- Improved **pricing and revenue models** can break down barriers to **collective action** and **create incentives** for politicians to direct resources towards service provision (Duflo et al., 2012).
- **Partnerships among urban stakeholders** (private sector, NGOs, community organisations, etc.) can assist with service delivery and other critical aspects of urban development (tackling slums, city expansion, etc.). These partnerships require sound legal frameworks for dealing with tendering, contracts and oversight.
- Citizen-led **co-production** may enable state agencies to fulfil their obligations by leveraging the strength of federations of the urban poor, who are well placed to facilitate, design and implement cheaper and more effective responses.
- **Decentralised, community based and participatory approaches** and processes for the design, development and implementation of urban programmes and projects increase the potential for democracy, accountability and transparency and promote the development of local involvement and enablement.

Box 7: Ahmedabad (India) – the Slum Networking Project (SNP)

The SNP ran between 1995 and 2009 and involved a partnership of urban stakeholders: the Ahmedabad Municipal Corporation, NGOs/CSOs, the private sector and slum residents. It sought to improve access to basic services, and guaranteed non-eviction. Project objectives included:

- improving basic infrastructure within slums and homes;
- enhancing community development through community participation/contribution and provision of basic services;
- maintaining infrastructure improvements through NGOs and residents' associations;
- promoting environmental upgrading in the city.

Around 60 slums were upgraded, benefiting 13,000 households. The project integrated informal settlements into the broader urban environment in infrastructure development, service delivery and the provision of *de facto* land tenure. Participating households also recorded improvements across a number of economic and social dimensions. Since many worked in home-based manufacturing and retail, their livelihoods were closely related to housing and access to public utilities. An evaluation found that women reported an extra one to two hours a day in paid labour as a result of availability of basic services in the home. Upgrading has also generated improvements in health and hygiene. Reported incidence of illness across participating households has fallen from around 19% to 7%, with reductions in the incidence of water-borne diseases, and school attendance among children aged six to ten years has increased. Strengths of the project include the following:

- Granting land tenure encouraged slum dwellers to invest in upgrading informal settlements.
- Slum dwellers benefiting from the services were more willing to pay property tax.
- Investment in infrastructure encouraged households to invest in their communities.

Sources: SEWA (2002); World Bank (2007); Mahadevia et al. (2011); Bhatkal et al. (2015).

3.4 Cities, conflict and fragility

Urban conflict and violence affect country and metropolitan level economic development, and the livelihoods and well-being of poor households and communities. Conflict refers to 'situations where individuals and groups have incongruent interests that are contradictory and potentially mutually exclusive but contained'; violence is the manifestation of that conflict (Moser & Rodgers 2012:2).

Cities are inherently sites of conflict, but this is generally managed through social, cultural and political mechanisms. When these mechanisms break down, outbreaks of chronic violence occur. Moser and Rodgers

(2012) suggest that it is important to understand the potential transition from conflict to violence as a ‘tipping point’ – the moment a given social process becomes generalised rather than specific in a rapid rather than gradual manner.

Muggah (2012) identifies risk factors that influence urban conflict and its potential to descend into violence: city density, poverty, inequality, youth population bulges, male youth unemployment, legacies of conflict and governance failures.

Conceptions of urban violence have increasingly moved towards overlapping categories that can be simultaneously political, social or economic (Beall et al. 2011). See Table 3 for a taxonomy of urban violence.

Table 3: Categories, types and manifestations of violence in urban areas

Category of violence	Perpetrators and/or victims	Manifestations
Political	<ul style="list-style-type: none"> ▪ State and non-state violence 	<ul style="list-style-type: none"> ▪ Guerrilla conflict ▪ Paramilitary conflict ▪ Political assassinations ▪ Armed conflict between political parties
Institutional	<ul style="list-style-type: none"> ▪ Violence of state and other “informal” institutions ▪ Including the private sector 	<ul style="list-style-type: none"> ▪ Extra-judicial killings by police ▪ Physical or psychological abuse by health and education workers ▪ State or community vigilante-directed social cleansing of gangs and street children ▪ Lynching of suspected criminals by community members
Economic	<ul style="list-style-type: none"> ▪ Organised crime ▪ Business interests ▪ Delinquents ▪ Thieves 	<ul style="list-style-type: none"> ▪ Intimidation and violence as means of resolving economic disputes ▪ Street theft, robbery and crime ▪ Kidnapping ▪ Armed robbery ▪ Drug trafficking ▪ Car theft and other contraband activities ▪ Small-arms dealing ▪ Assaults including killing and rape in the course of economic crimes ▪ Trafficking in prostitutes ▪ Conflict over scarce resources
Economic / social	<ul style="list-style-type: none"> ▪ Gangs ▪ Street children (boys and girls) ▪ Ethnic violence 	<ul style="list-style-type: none"> ▪ Territorial or identity-based “turf” violence; theft ▪ Petty theft ▪ Communal riots
Social	<ul style="list-style-type: none"> ▪ Intimate partner violence inside the home ▪ Sexual violence (including rape) in the public arena ▪ Child abuse: boys and girls ▪ Inter-generational conflict between parent and children ▪ Gratuitous/routine daily violence 	<ul style="list-style-type: none"> ▪ Physical or psychological male–female abuse ▪ Physical and sexual abuse, particularly prevalent by stepfathers but also uncles ▪ Physical and psychological abuse ▪ Incivility in areas such as traffic, road rage, bar fights and street confrontations ▪ Arguments that get out of control

Source: Moser (2004: 2)

Raleigh (2015: 91) asserts that countries that experience political instability, but not civil wars, often experience the highest levels of urban unrest, particularly during periods of political contestation such as elections and national instability.

Conflict is an inevitable aspect of development and change in urban settings, but an important question is whether it is channelled destructively through violence or in a more constructive way, such as through participatory forms of engagement and debate. For example, Rodgers (2015) suggests that attempts to address the causes of high levels of crime that plagued New York in the 1970s and Medellín in the 1990s encouraged the subsequent urban 'renaissance' in both cities.

Urban governance is integral to the management and resolution of conflict and the mitigation of violence. It involves more than just laws and regulations; it also encompasses the manner in which we live and how challenges are resolved. The notion of social capital is important in understanding urban conflict, as it is when social networks and bonds break down that conflict tips into violence.¹²

This breakdown and loss of trust is at its worst in 'fragile cities' (see Muggah, 2012) – where the cumulative effects of risk may overwhelm local coping systems. Some cities, particularly those in low-income or fragile states that have limited institutional capacity, may be pushed to collapse by accelerating urbanisation (Muggah & Savage, 2012; de Boer, 2015). Cities, as with states, become fragile when institutions can no longer fulfil their core functions, such as ensuring safety for citizens, property and infrastructure, or access to basic services (de Boer, 2015). This can lead to groups challenging city government's legitimacy, authority and capacity, and in some instances can lead to violence. This violence marks a rupture in the social contract between city government and those that contest its authority, and may be targeted at city spaces, infrastructure, and civilian populations (Graham 2009).

Where governance failures are persistent, violence can take an overt or covert form of coercion and control, with different groups seeking to fill the institutional power vacuum (Muggah, 2012). Such groups thrive in cities where there is a ready pool of recruits, and as a result of complicit public institutions, patronage, fear and unease, which cumulatively inhibit the development of networks and social capital. Fragile cities are especially susceptible to rapid deterioration of core functions when exposed to a combination of internal and external urban risks. These may include concentrated disadvantage, police and judicial impunity, and sudden price shocks.

Gender-based violence (GBV) and violence against women and children are an often overlooked element of urban violence. However, cities can help women cope with violence by providing more tolerance, access to economic resources and institutional support than rural areas. Ultimately, cities do not necessarily generate GBV, and urbanisation offers opportunities for its reduction (McIlwaine 2013: 65)

Different forms of violence and conflict require different kinds of policy interventions at the local, national and international level that acknowledge a city's specific governance needs and the challenges associated with urban politics. Moser and McIlwaine (2014) call for a shift from representing violence and conflict as solvable problems, towards a recognition that they are an element of daily life and components of development. Examples of interventions and approaches that have had, or have, potential for success include the following:

- In Bogotá and Medellín (Colombia), urban politics played a role in the management of social tensions (Gutierrez et al., 2007). Against a backdrop of soaring urban violence, a new style of politics accompanied the introduction of the 1991 Constitution. This allowed for wider political participation and debate, which in turn saw coalitions of middle class and elite interests emerge. Whilst these coalitions represented a range of political positions and actors, they shared a commitment to

¹² The OECD (2007) define social capital as networks with shared norms, values and understandings that facilitate co-operation within or among groups.

improved public goods and services in urban areas. At the heart of these success stories was the creation of institutions and processes for participatory engagement and debate.¹³

- A greater understanding of structural and contextual factors, rather than causal conditions, in which gangs exist results in recognising them as institutional actors and as a product of societal change. Working with gangs instead of simply trying to dismantle them may pay dividends. This willingness to engage with gangs shifts the focus from reducing violence to managing it (Winton, 2014).
- In their discussion of GBV interventions, Whitzman et al. (2014) call for a multi-pronged partnership approach. Their framework includes four categories of actors: elected officials as ‘champions’; public servants as ‘enablers’; community groups as ‘advocates’; and researchers as ‘information brokers’. A greater understanding of the most appropriate scale for policy action is central; reliance on local strategies to reduce GBV needs to be linked with actions to contest and confront GBV at regional, national and supranational levels. This approach shifts the focus from individualised security measures to those identified through collective consultative processes in which women assert their right to live, work and participate in city life (ibid.).
- The Viva Rio project launched in Port-au-Prince (Haiti) in 2004 aimed to reduce community violence and manage and transform conflict (Yazdani et al., 2014). It involved an innovative incentive programme that combined peace with education. It facilitated peace negotiations between local community leaders and other community projects, thus solidifying the process of stabilisation and development as well as establishing the presence of Viva Rio in target neighbourhoods. Viva Rio offered scholarships to children and adolescents via a monthly lottery if a neighbourhood reported no conflict-related deaths. If a death was reported the lottery was suspended for the month.

Leveraging a combination of community and city-level political processes to encourage social groups to bargain, debate and form broad coalitions to manage urban conflict is a common theme across these examples. Governance strategies thus need to involve cooperation and engage local communities, city authorities, national governments and where appropriate, international agencies. Muggah and Savage (2012) identify a number of entry points for addressing urban conflict and violence:

- enhancing public services and local municipal capacity;
- emphasising risk reduction and strengthening urban resilience;
- engaging with armed groups or gangs around issues of urban violence, prevention and reduction;
- strengthening community structures to build social cohesion and more effective conflict resolution capacities;
- harnessing formal and informal structures at city level.

Coordinating city responses to violence and conflict is complex. Responsibility for public security often does not lie exclusively at city level, if at all, as many metropolitan areas and municipalities rely on national governments to provide such services (Muggah & Savage, 2012). A more nuanced approach to addressing sources of conflict and violence is needed that leverages local resources and capacities in innovative ways. Urban governance can reinforce the capabilities and participation of residents and non-state actors by promoting civic engagement. Muggah (2015) suggests this is not just a matter of rights and citizenship but also of ensuring local buy-in, building social capital and augmenting the capacity of the state where it is limited.

¹³ Gutierrez et al. (2007: 15) caution that while the reduction of urban violence is impressive, the majority of poor urban residents in Bogotá and Medellín were not welcomed into public debate. Attention needs to focus on the institutionalisation of mechanisms to allow for the articulation and negotiation of conflicts between the lower and higher rungs of urban society.

3.5 Urban migration

Migration is a driver of urbanisation (IOM, 2015) and urban migration (both national and international) is an increasing trend of the twenty-first century.¹⁴ Figures are subject to much debate,¹⁵ but it is estimated that globally there are 740 million internal (UNDP, 2009) and 232 million international migrants (UNDESA, 2013b). Accordingly, debates on the impact of migration flows and migrant dynamics on the social, economic, political and cultural relations of societies and cities have assumed increased prominence (Çağlar, 2015). Skeldon (2013) comments that increased migration to urban centres is inevitable given the global realities of ageing societies, slow and uneven regional and national economic growth and environmental and political instability. Meanwhile, there are an estimated 65.3 million forcibly displaced persons worldwide.¹⁶ Approximately half of these seek refuge in urban areas, and in Jordan, Lebanon, Somalia, Sudan, Syria, Pakistan and Iraq, between 60–95% of internally displaced persons live in urban settings (IDMC, 2014: 15). See Box 8 on Lebanese municipal responses.

Both international and internal urban migration involves increasingly different types of migrants, with varying motivations. These include those searching for better jobs (formal and informal), single women migrating to support family, women joining husbands, asylum seekers, students and trainees etc. Environmental disasters and conflict also contribute to urban migration nationally and internationally.

Moving to cities can enhance well-being, offering an escape from poverty and providing access to better opportunities, employment, health and education (IOM, 2015: 4). Findings from Myanmar (World Bank, 2016) highlight that households migrate for many reasons, including insecure rural livelihoods, shocks that make subsistence difficult, and the desire for upward mobility. However, an influx of migrants strains the ability of cities to cope, meaning migrants may be unable to access social support or afford adequate housing. This makes them more vulnerable to deprivation, disease and violence and often exposes them to forced eviction (de Boer, 2015). Migrant women, especially those who are undocumented, are more likely to experience labour market exploitation and are at greater risk of kidnap or trafficking (IWPR, 2015: 9).

Despite the scale of rural–urban migration, many city and local governments fail to consider it in urban development planning (IOM, 2015). Migrants are generally overlooked in discourses on urbanisation and urban governance, or viewed as a problem rather than a potential asset. In many countries, migration is seen as contributing to shortages of adequate housing, basic infrastructure and services (Tacoli et al., 2015).

Surveys of government policies on population growth indicate that many governments, particularly those in urbanising regions, believe rates of urbanisation are excessive. In 2013, 70% of governments in less developed regions wanted a major change in where their populations live; 84% had policies in place that sought to reduce rural–urban migration (McGranahan & Schensul, 2015).

Even though migration affects urban areas and local governments most, migration policies are generally set nationally. Local authorities, especially in LICs and MICs, often lack the capacity or revenue to respond to migration, but they clearly have a role to play in developing more responsive and targeted policies (Tacoli, 2010). Migration policies can affect cities in positive or negative ways. Restrictive, inadequate or unclear policies on labour mobility (in Africa, Asia and Europe) may encourage irregular migratory flows and the growth of informal urban settlements (IOM, 2015: 171). Similarly, strict border control policies can generate urban transit hubs where migrants become stranded on their way to intended destinations. Improving municipal government policy requires more understanding of migration, its challenges and methods of engaging with both migrant and host communities, and more attention to the following:

¹⁴ Not all urbanisation is driven by migration: in Africa it is largely driven by natural population growth.

¹⁵ The diversity of migration destinations and patterns and migrants' varying pathways of incorporation should caution against generalising migrant experiences (Price et al., 2005).

¹⁶ <http://www.unhcr.org/uk/figures-at-a-glance.html>

- **Permanent versus temporary migration:** Migration is often perceived as permanent, resulting in restrictive migration laws. Yet research indicates that most migration to cities is temporary and cyclical (UNDESA, 2004; Potts, 2012).
- **Civic identity:** Migrating to a new country or city is a multi-stage process. Integration of migrants depends on many factors, including command of local language, availability of jobs, legal status, participation in civic and political life and access to social services (UNDESA, 2004).
- **Participation and representation:** Crucial to managing urban migration is ensuring the representation and inclusion of migrants in decision-making processes. Identifying effective ways of working and communicating with diverse communities and groups is critical.
- **Vulnerability to urban violence and criminality:** Migrants are more vulnerable to urban violence and criminality, including people trafficking (especially children and women), labour exploitation, fake documents, irregular housing, illegal service provision, unregulated recruitment agencies and corrupt police.

Municipal authorities, non-state actors and civil society (including migrant associations and NGOs) need to play an active role in the development of urban migration policies (Çağlar, 2015). These may include local economic development, formalisation of the informal sector and provision of education, health, housing and urban safety. Policy interventions can also include promoting temporary work opportunities and facilitating homeland return. For receiving countries and cities, properly managed migration can be an opportunity, for example by filling labour supply gaps.

Box 8: Lebanon – social cohesion and municipal governance programming

Since the onset of the Syrian conflict, an estimated 1,033,500 refugees have entered Lebanon, equivalent to a quarter of the national population. Municipalities have been at the forefront of responding to refugee needs while balancing those of host communities. Tasked with registering new arrivals, maintaining security, ensuring adequate services, providing shelter and mediating community tensions, they are struggling to cope with pressure on communities and resources. However, there have been a number of municipal success stories in responding to the crisis.

Surveys in 12 municipalities show that, despite the scale of the challenge, municipalities are registering and providing housing assistance to refugees: 89% of municipalities are facilitating assistance provision; 78% have increased their security presence in communities; and 78% are providing dispute resolution facilities. Over 65% of Syrians felt welcomed on arrival, and, though this decreased as time passed and economic pressures grew, only 23% felt unwelcomed. The generosity of the Lebanese was identified as a factor accounting for these perceptions. Eighty-five percent of Lebanese interviewed said their actions arose from a common sense of humanity and shared culture and history, with 42% donating to a charitable organisation and 23% participating in voluntary work. Lebanese municipalities have created a measure of trust between Lebanese constituents and Syrian refugees, despite operating with limited resources and technical and administrative capacity. Factors facilitating this response include:

Leadership and accountability:

- Motivation and initiative
- Allowing organisations access to implement services within municipalities
- Inviting donors to municipalities to learn about needs
- Establishing employment policies/procedures
- Engaging host community in municipal response

Coordination and planning:

- Preparedness and forward thinking
- Maintaining an updated refugee database and understanding pressing needs
- Coordination with organisations

Information management:

- Communicating with all stakeholders
- Communicating with municipalities in the same region
- Promoting social cohesion and alleviating tensions
- Allowing organisations to use municipal spaces to implement work

Despite achievements and given the prolonged nature of the crisis, tensions persist. The majority of Syrian refugees are living in difficult socioeconomic conditions with limited livelihood opportunities. Many refugees pay high prices for inadequate and overcrowded accommodation. The alternative is to move to Palestinian camps, abandoned buildings, or tented settlements. High unemployment levels are reported amongst Syrian refugees, most notably amongst women (68%). Those that have secured work are mainly engaged in agriculture, personal and domestic service and on a smaller scale, in construction. These jobs provide little income, security or protection.

More broadly, the Syrian crisis has damaged the Lebanese economy and labour market. Economic growth has slowed, private investment reduced, the trade deficit has increased and real estate and tourism declined. The influx of refugees into poor communities in peripheral regions of Lebanon has imposed enormous challenges on the country in general and on host communities in particular.

Sources: Mercy Corps (2014a; 2014b), ILO & WIEGO (2013)

3.6 Cities and climate change

Research estimates that while cities occupy only 2% of land, they produce 70-80% of greenhouse gas (GHG) emissions, account for over 60% of global energy consumption, and produce 70% of global waste (World Bank, 2010b: 15; UN-Habitat, 2010b).

Whilst this section focuses on addressing climate change in urban areas, links between urban, peri-urban and rural areas are important. These include those across space (such as flows of people, goods, money, information and wastes), and between sectors (for example, between agriculture, services and manufacturing).

Climate change can be a cause of migration and conflict, prompting cyclical migration from rural to urban areas and vice versa. It is also likely to affect agricultural production and therefore cities' food supplies.

Academics, donors and NGOs recognise that it is the urbanising cities of the developing world that will experience the effects of climate change most profoundly. Cities will be forced to cope with increased incidents of flooding, air and water pollution, heat stress and vector-borne diseases etc. (see Topic Guide on Urban Poverty, Urban Pollution and Environmental Management, Satterthwaite, 2015). Cities in developing countries are at particular risk because of population density, lack of drainage, concentration of solid and liquid waste, large informal settlements and urban expansion onto risky sites (Tanner et al., 2009: 9). Research highlights both the impact of climate change on towns and cities and the crucial role urban stakeholders play in developing adaptation and mitigation strategies (Satterthwaite, 2007; Tanner et al., 2009).

The next two decades are understood to present a window of opportunity to adapt to and mitigate climate change in urban areas; with continued economic and population growth, urban land cover is projected to expand by 56–310% between 2000 and 2030 (IPCC, 2014: 26). The largest opportunities are in rapidly urbanising areas where urban form and infrastructure are not locked in, though in these contexts there may be limited governance, and technical, financial or institutional capacity (ibid.: 26). Evidence suggests that the most rapidly urbanising cities are in Africa, where capacity is weakest, and the challenge of addressing this cannot be overestimated. Realising the potential for cities to reduce rather than increase emissions relies on four factors (Fox & Goodfellow, 2016: 185):

- improvements in planning, including better transport and building;
- improvements in professional design capability;
- advancements in technology, for example in the construction and transport sectors;
- changes in behaviour, for example in waste management and energy consumption.

Institutional arrangements can also make a difference: cities such as Delhi (India) and Santiago (Chile) have combined emissions reduction targets with other cost-saving interventions and the generation of additional finance (see Box 9 on São Paulo).

How to facilitate collaboration and cooperation at different levels of government and between stakeholders is, once again, a key urban governance issue. The majority of mechanisms within the international climate change framework focus on the role of national governments, and few interventions address climate issues at regional or local level (OECD, 2010; UN-Habitat, 2011). The focus needs to shift to the city level and to building local capacity to respond to climate change.

International and national climate strategies need to be integrated with existing regional and local urban policy frameworks (OECD, 2010) 'to avoid policy gaps between local action plans and national policy frameworks (vertical integration) and to encourage cross scale learning between relevant departments or institutions in local and regional governments (horizontal dimension)' (Corfee-Morlot et al., 2009: 3).

Promising frameworks combine these elements in ‘hybrid models of policy dialogue where the lessons learnt are used to modify and fine-tune enabling frameworks and disseminated horizontally, achieving more efficient local implementation of climate strategies’ (ibid.). However, in many cities in poor countries, these frameworks may not even exist.

Local government may prove most capable of the social and technical innovation required (OECD, 2010), however, meeting climate change challenges requires greater collaboration between cities, national governments and international bodies (Corfee-Morlot et al., 2009; OECD, 2010; IPCC, 2014). UN-Habitat (2011: vi) argue that financial resources should be made directly available to local stakeholders who are best able to facilitate mitigation and adaptation in vulnerable cities and generate investment in alternative energy. Policymakers ‘should begin from an awareness of local development aspirations and preferences, local knowledge of needs and options, local realities that shape choices and local potential for innovation’ (ibid.). This may involve encouraging community and civil society participation and developing partnerships with the private sector and NGOs.

Key to addressing climate change is competent, capable, and accountable urban governments that incorporate mitigation and adaptation measures in a holistic manner (Satterthwaite, 2008). Many measures require only minor adjustments to current practices – e.g. to building codes, land subdivision regulation, land-use management and infrastructure standards – and the sum of these over time can build resilience without high costs (ibid.).

Land-zoning can reduce the distances required for urban travel and thus emissions and energy use. Building policies can help increase energy efficiency, and waste policies can reduce CO₂ emissions. Greater transparency, accountability, participation and inclusion should accompany such policies to ensure good governance for adaptation (Tanner et al., 2009).

In contexts where clientelist relations undermine attempts to address climate change ‘there is little or no political constituency for reforming the public services to make them more effective and efficient’ (Crook, 2010: 488). Broader governance reform efforts will therefore be critical to ensuring that incentives encourage efforts to address climate change.

Policies needed to encourage energy-efficient urbanisation differ substantially by city type (Creutzig et al., 2015):

- For mature cities, increasing fuel taxes and encouraging compact urban form, such as greater mixed-use urban design, are considered critical.
- In countries with nascent infrastructure, there is greater potential to prevent unsustainable urban form through strategic planning (provided that the capacity exists).

A number of strategies have been suggested. Creutzig et al. (2015) suggest that urban planning and fuel taxes can reduce cities’ energy consumption in emerging economies – by 57% in Asia and 29% in Africa and the Middle East. Similarly, relatively small improvements in energy and transport efficiency in towns and cities can lead to major gains (Dhakal, 2010). For example, transit-oriented cities that promote public transport could reduce annual GHG emissions by 1.8 billion tonnes of CO₂ by 2050. An estimated 10% of the total reduction in emissions needed by 2050 can be achieved by using energy-saving retrofits, efficient appliances, new lighting standards, better insulation in buildings and more energy-efficient transit technologies in towns and cities (C40, 2014).

These policy adjustments require more than physical infrastructure investment. They also require stakeholder engagement to support debate and understanding of community needs, as well as attitudinal and behavioural change. Indeed, some low-carbon, low-cost public transport schemes can negatively affect the very communities they are meant to benefit. For example, they might involve demolishing informal settlements, displacing vendors from transport routes or failing to extend services to the peri-urban areas

where public transport is most needed. The much-heralded Ahmedabad Bus Rapid Transport System is a case in point.¹⁷

Box 9: São Paulo (Brazil) – cities, climate change and multilevel governance

In 2003 São Paulo joined Local Governments for Sustainability's Cities for Climate Protection, completing an inventory of its emissions, which showed transport (48.6%) and landfills (23.5%) were the main source.

The city developed several initiatives, focused on Clean Development Mechanisms, including landfill projects implemented with the private sector. The projects generated energy from landfill methane emissions and by 2006 had reduced GHG emissions by 11%. In 2006, \$16 million in revenue from the sale of carbon credits was re-invested in social projects and climate change mitigation.

São Paulo is also rolling out reforms in transport and construction. The city has introduced hybrid buses and started a programme of automobile inspection and traffic restriction during rush hour. In 2007, it passed a solar energy bill, now used as model by more than 50 Brazilian cities. This includes mandatory passive solar heating systems in buildings with more than three bathrooms (homes, apartments, service or industrial buildings). São Paulo is expected to reduce its CO₂ emissions by 3,400 tonnes and to save 8.7 million kWh of energy per year.

Source: Corfee-Morlot et al. (2009).

Incentivising more sustainable choices at community and individual level is also required to address climate change. Changing lifestyles and economies to adopt efficient, low-energy and environmentally sustainable solutions creates opportunities for innovation (DFID, 2010: 9). These should not be seen solely as climate change-driven initiatives, but as local economic development strategies that capitalise on the political and economic environment climate change creates and the position of urban areas in low-carbon economies.

Options for addressing climate change in urban areas vary according to urbanisation trajectories, but are expected to be most effective when policy instruments are 'bundled' together (IPCC, 2014). Effective strategies include packages of mutually reinforcing policies, such as co-locating high-residential with high-employment densities, achieving diversity and integration of land uses, increasing accessibility and investing in public transport and other demand management measures.

Fox and Goodfellow (2016: 199) conclude that initiatives to address climate change and develop climate-resilient cities require new ways of thinking about urban governance and planning. They call for multi-stakeholder approaches – bringing together urban designers, public health experts, transport engineers and community groups – to develop innovative ways of creating compact and diverse communities where the multiple goals of adaptation and mitigation can be pursued in tandem (McCarney et al., 2011).

¹⁷ The project involved the demolition of informal houses along the transit corridor and displacement of street vendors—a key livelihood for poor urban families. It also involved disinvestment in the city's old bus transport system, which had larger coverage and ridership along with lower fares (Mahadevia et al., 2013).

4. Knowledge gaps and the state of the evidence

The evidence base on urban governance in the developing world is growing but remains limited. It consists largely of literature reviews and case studies with limited conceptual or empirical basis. Whilst a substantial body of literature addresses the issues in this Topic Guide, the evidence base needs to be better harnessed to inform policy and practice.

The literature reviewed in this Topic Guide identifies some knowledge gaps outlined below. Two recommendations are made: (i) it is necessary to fill these knowledge gaps and improve the quality and quantity of urban data that can be used to support policy interventions; and (ii) urban stakeholders need to make better use of existing knowledge to improve urban governance. A number of innovative approaches are identified below that can help fill knowledge gaps.

4.1 Political economy

The available studies drawn on in this Topic Guide conclude there is a general paucity of evidence on the political economy drivers of urban challenges in developing countries and how these can be overcome (Desai, 2010; Muggah, 2012).

More generally, Muggah (2012) critiques donor policies and research for ignoring the complex social, political, economic, spatial and cultural relations that shape and are shaped by the experiences of urban dwellers. In their mapping of the literature on political economy factors and governance challenges of urban service delivery, Jones et al. (2014a) find a limited number of studies that link governance and service delivery effectiveness. Studies tend to exclude output and outcome measures and fail to analyse the causal relationship between governance dynamics and service delivery.

Nieto (2014) suggests there is a lack of clarity on how different contextual factors affect the forms and intensity of political and social participation in poor urban neighbourhoods. He highlights the lack of a clear causal framework that explains differences in participation levels of the urban poor and its connection to welfare.

Chinsinga (2015) presents one example of the application of political economy analysis to the study of urban governance in his analysis of urban governance and management in four Malawian cities. He concludes that these cities have faced considerable challenges in exercising their development control, planning and infrastructure development functions effectively. Additionally the structures for community level social organisation and collective action have been in a state of flux that has inhibited community mobilisation. These cities have therefore been unable to plan for, provide and maintain infrastructure and services. This study also finds that formal and informal institutions have interacted to create hybrid governance structures. In the absence of elected local officials, these have involved urban chiefs acting as intermediaries between urban communities and city councils.

Current research facilitated by the Partnership for African Social and Governance Research (PASGR) on urban governance and turning African cities around¹⁸ includes a focus on the political economy of urban governance. It includes an empirical comparative analysis of Lagos, Johannesburg and Luanda, and looks at preconditions for the turnaround, the process and prospects for other cities.

¹⁸ <http://www.pasgr.org/urban-governance-and-turning-african-cities-around/>

4.2 Political settlements

An evidence review for the UK Department for International Development (DFID) notes that political settlements¹⁹ grounded in inclusive nation-building projects that transcend narrowly defined identities tend to be more stable and resilient (Rocha Menocal, 2015). Further discussion of political settlements and their relation to urban governance in fragile and post-conflict states would be useful. Research has highlighted the varying ways in which political bargaining environments affect urban development outcomes, often combining with other historically rooted norms and institutions to shape the urban political arena (Resnick, 2014; Goodfellow, 2014).

In his analysis of empirical research on the political economy of Kigali's development, Goodfellow (2014) finds that using the concept of political settlements illuminates aspects of urban development other political economy approaches fail to identify. He uses this approach alongside a spatial perspective focused on the transformation of Kigali to explore the governance of land reform, urban planning, expropriation and property taxation. Goodfellow (2014) pursues two main aims: first, to provide new empirical material on the political economy of Kigali's development; and second, to illustrate how urban development can enhance an understanding of the political settlement in place. The work is innovative given that most research on political settlements focuses on the national level, with little attention to the relationship between urbanisation and fragility, and the repercussions for the national settlement (Feuerschütz, 2012).

Gupte (2016) presents another fresh approach to researching urban issues and political settlements. He notes that violence in cities significantly compromises development and can have detrimental consequences for peacebuilding and political settlements in both conflict and non-conflict settings. Urban environments interact with the mechanics of security provision in significant and complex ways. As a result, implementing effective violence mitigation strategies requires stakeholders to acknowledge the varying characteristics of urban violence and to understand how these interact with the mechanics of security provision. This brings a spatially relevant, city-specific perspective to wider understandings of how political power is organised and exercised (Gupte, 2016: 5). He suggests that approaches to peacebuilding and political settlements can use the following city-specific dimensions as starting points to engage with urban issues:

- **Grid.** Paying attention to how the layout and planning of city spaces are shaped by economic, political, technological, social and gendered factors.
- **Governance.** Focusing on the processes and structures that form the institutions through which people are excluded and included in cities.
- **Ephemerality.** Recognising the shifting dynamics and identities of violence, which are often related to the grid and governance of the city, but not reducible to them.

4.3 Cities, conflict and fragility

Gupte and Commins (2016: 7) note that there are multiple and overlapping forms of violence, and the way these interact have important consequences for understanding violence and order in future cities. Muggah (2012: vi) highlights that, while there is substantial research on the consequences of urban violence across low- and medium-income settings, as well as analysis of urbanisation, urban poverty and violence, much of this is segmented within academic disciplines and geographic settings.

There are gaps in understanding the links between urban poverty, conflict and violence. UN-Habitat (2014: 31) identifies a dearth of robust research on the incidence and determinants of urban violence. Experts suggest there is a limited evidence base on what works and what does not in tackling political economy

¹⁹ See the Concept Brief by Laws and Leftwich (2014) at <http://publications.dprog.org/PolSet.pdf> and Laws (2012) for a discussion of definitions of political settlements.

constraints to urban violence. Looking at interventions to mitigate urban violence, Muggah (2012) highlights the absence of time-series data, lack of attention to unintended consequences and weak local analysis capacities in low-income settings.

A number of innovative approaches have emerged to help fill these gaps that merit further exploration. Blattman et al. (2015) argue that self-control, time preferences, and values are malleable in adults and that investment in these skills and preferences can reduce crime and violence. In this study, half of a sample of 999 Liberian men engaged in crime received eight weeks of group cognitive behavioural therapy, fostering self-regulation, patience, and noncriminal values. Some of the participants also received grants of US\$200. Cash and therapy were both shown to reduce crime and violence, but effects dissipated within a year. When cash followed therapy, however, crime and violence decreased by as much as 50% for at least a year. Blattman et al. (2015) hypothesised that cash reinforced therapy's lessons by prolonging practice and self-investment.

Research from the Understanding the Tipping Point of Conflict project (Moser & Rodgers, 2012) has also provided some detailed analysis of how different forms of violence, triggered by tipping point processes, interact in a 'violence chain'. Its policy insights include the following:

- Urban spaces have particular dynamics that can exacerbate both conflict and violence. These dynamics can facilitate instances of local conflict tipping over into broader, city-level violence.
- The co-existence of multiple authority and security systems can be a driver of conflict and violence, and an entry-point for keeping conflict and violence in check by maintaining a 'balance of power'.
- Policymakers need to identify the different categories of violence beyond crime statistics, and recognise the importance of political violence as an ongoing phenomenon.
- Initiatives to break the links within violence chains should include strengthening governance structures, addressing youth unemployment and regularising informal settlements.
- Social cohesion, inclusion and citizen participation must be incorporated as cross-cutting urban policy themes, particularly those associated with violence reduction.

Moser and Horn (2011) comment that interventions such as those outlined above could be effectively implemented within poor urban communities as well as at the metropolitan level. This contrasts with initiatives to address 'macro-level' structural issues such as poverty or demographic bulges.

Recently published research identifies a growing body of evidence that indicates the diversity of security processes and outcomes within and between cities (Gupte & Commins 2016). Gupte and Commins (2016) note that contemporary paradigms of urban development fail to substantively account for the ways in which the social, political, economic and physical aspects of urban form interact and shape the mechanics of security provision in cities. Part of this gap is due to the separation between development theory, urban planning and discussions of fragility, conflict and violence. Gupte (2016) concludes that violence is likely to be both a positive and negative stimulus for governance institutions at the city and national level. The imposition of order in cities affects people differently and poses the question 'security for whom?'. Segmentation in the treatment of issues of security and order in cities will debilitate comprehensive interventions as well as macro understandings of the processes of state-building in fragile contexts.

4.4 Data

The lack of reliable subnational data for sectors and geographic areas undermines the design, implementation and monitoring of effective interventions by municipal governments, relevant national ministries and donor organisations. Mitlin and Satterthwaite (2012) highlight the difficulty of accurately assessing the scale of urban poverty, given the paucity of comparable data and difficulties in capturing complexity or urban vulnerability. The inadequacy of statistics on poverty at city level requires attention. Muggah (2012) critiques development agencies for failing to invest in municipal statistical datasets. New sources of data gathered from mobile phones, satellite imagery and the internet may have a role to play in facilitating a data revolution (Stuart et al., 2015).

In an attempt to fill some of these knowledge gaps, the Igarapé Institute, in association with the United Nations University, the World Economic Forum, the World Bank and SecDev, have sought to identify the elements of city fragility.²⁰ Their focus has been on isolating the drivers, or risks, that make some cities more fragile than others. They have analysed 100+ databases and consulted with specialists to map the geography of urban fragility. The fragile cities data visualisation is a platform that tracks risk in over 2,137 cities with populations of 250,000 or more. It includes a fragility scale based on ten indicators statistically associated with instability. The intention is to provide mayors, planners, business people and CSOs with access to data annually on how urban fragility is distributed in upper-, middle- and lower-income settings.

To leverage the potential of technology to fill data gaps, the UN has established a number of Pulse Labs, bringing together government experts, UN agencies, academics and the private sector to pioneer new ways of using Big Data to support development goals.²¹ Pulse labs tap into local knowledge and innovation, establish key partnerships, test and pilot real-time monitoring approaches and support the adoption of proven approaches. Examples include collaboration between the Smart City team in the Jakarta Government and Pulse Lab to explore real-time bus location data, service demand data, and real-time traffic information. The study initially focused on mapping locations with abnormal traffic and understanding how customer demand responds to traffic dynamics. The insights from this first phase will be used to improve TransJakarta bus services. The project aims to enhance transport planning and operational decision-making within the Jakarta Government through real-time data analytics.

Similarly, Pulse Lab Kampala is working on a project to use satellite imagery and develop image processing software to count roofs and identify the roofing material used. An online dashboard will analyse roof materials as an indicator of poverty. This tool will complement existing statistical approaches that use surveys and primary data collection to assess poverty levels. The new data generated with the automated roof top counting can provide insights into household economies.

4.5 Second and third tier cities

It is in medium-sized and small cities of the developing world that urban growth is expected to be greatest. Urban risks are also expected to be greatest in these cities, as they are generally less well-resourced in terms of professional capacity, governance and finance. Limited investment in infrastructure and urban services such as water, solid waste management and health is another reason for their vulnerability. There is a need for further research to understand the specific patterns and drivers of urban growth in different areas, as well as the policy responses required.

Roberts (2014: 2) seeks to fill this gap by exploring the role secondary cities play in rapidly urbanising regions. They note that secondary cities act as catalysts and secondary hubs in facilitating the localised production, transportation, transformation, or transfer of goods and services, people and information between subnational, metropolitan, national, regional and global systems of cities. However, growing

²⁰ See <https://igarape.org.br/en/apps/fragile-cities-data-visualization/> and <https://igarape.org.br/en/safer-cities/>

²¹ <http://www.unglobalpulse.org/pulse-labs>

disparities in economic, physical and social development between systems of cities are increasing gaps in income, poverty and levels of employment, especially between primary and secondary cities. Secondary cities are struggling to raise capital and attract the investment needed to build infrastructure, productive enterprises and vibrant communities that contribute to dynamic economies, improved livelihoods and jobs (Roberts, 2014). Urban systems in most secondary cities are poorly integrated, badly designed and therefore weak. Flow systems are important in supporting the development of secondary cities. These cities 'need flow systems (material, information, finance, governance, and utilities) capable of supporting supply chains that keep government, business and communities operating' (ibid.: 168).

Marais, Nel and Donaldson (2016) have sought to fill gaps in knowledge on secondary cities by improving understanding of the relations and networks that develop between diverse cities and towns and between the city and its peripheries. Neglecting the development of secondary cities has implications, namely a lack of understanding of intermediate cities and a failure to effectively integrate these in political development strategies.

For a fuller discussion of secondary cities see Marais et al. (2016), who identify attributes associated with secondary cities and use these to create a framework that guides discussion of strategies for these cities. They consider the functions of secondary cities and identify some concerns about national-city strategies.

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Purple title = link to the publication.

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- World Bank. (2016). *Leveraging urbanization in South Asia: Managing prosperity and liveability*. Washington, DC: World Bank.
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Annex 1: International actors' urban programmes

African Development Bank

The AfDB's urban strategy seeks to boost the viability and competitiveness of African cities to ensure that they perform their role as real engines of economic growth and social development. The strategy involves three pillars:

- **Infrastructure delivery:** Deliver and expand basic infrastructure services and build capacity to maintain public infrastructure assets.
- **Governance:** Strengthen the corporate governance and the managerial capacity of municipal authorities to promote a culture of transparency; strengthen anti-corruption safeguards; and build the capacity for urban planning.
- **Private sector development:** Create conducive environments for private sector investment, including the promotion and strengthening of local financial markets.

(2011) *African Development Group's urban development strategy: Transforming Africa's cities and towns into engines of economic growth and social development.*

Asian Development Bank

The ADB's Urban Operational Plan (UOP) addresses the programmatic issues hindering cities' efficient, sustainable and equitable development and the financially sustainable investments on which this development depends. The UOP focuses on inclusiveness, green development and competitiveness, and supports the adoption of cutting-edge planning, technology and financial products.

(2013) *Urban Operational Plan 2012-2020.*

(2014) *Sustainable urbanization in Asia and Latin America.*

C40

C40 is a network of the world's megacities committed to addressing climate change. It supports cities to collaborate effectively, share knowledge and drive meaningful, measurable and sustainable action on climate change.

(2014) *Advancing climate ambition: Cities as partners in global climate action.*

(2016) *Unlocking climate action in megacities.*

Cities Alliance

The Cities Alliance is a global partnership for urban poverty reduction and promotion of the role of cities in sustainable development. Its members include local authorities, national governments, NGOs and multilateral organisations. It provides grants in support of:

- city development strategies;
- citywide and nationwide informal settlement upgrading;
- national policies on urban development and local government.

The Cities Alliance Secretariat does not implement the projects, drawing instead on the existing capacity of members. In-country work is managed through cities, the regional operational units of members, other multilateral and bilateral partners and existing global and regional partnership programmes.

(2010) *Building cities: Neighbourhood upgrading and urban quality of life.*

(2011) *The case for incremental housing.*

(2014) *Managing systems of secondary cities: Policy responses in international development.*

OECD

OECD work on urban issues is grouped around four areas.

Thematic work on cities: How can cities be most effective in tackling climate change and achieving greener growth? How can ports be an asset for urban development? What links can be fostered between urban and rural areas to boost a region's economic potential? How can cities adapt to demographic change? Recent OECD work explores these questions in detail.

Roundtable of mayors and ministers: The OECD Roundtable is the pre-eminent international forum for policy dialogue on urban issues between local and national leaders. The Sixth OECD Roundtable took place in Mexico City on 16 October 2015.

City and metropolitan statistics: How does your city compare with over 281 of its international peers? The OECD Metro Database and Metro eXplorer provide comparable international data for urban and metro areas relating to GDP, CO₂ emissions, sprawl, innovation and more.

Urban policy and metropolitan reviews: What policies can help cities and metropolitan areas become more competitive, sustainable and inclusive over the long term? The OECD conducts in-depth analyses of national urban development policies, as well as reviews of cities and metro areas, to evaluate current policies and propose strategies for boosting economic growth, improving environmental performance and fostering social inclusion.

(2010) *Cities and climate change: Policy perspectives, national governments enabling local action.*

(2012). *Promoting inclusive growth: Challenges and policies.*

(2015) *The metropolitan century: Understanding urbanisation and its consequences – policy highlights.*

UN/UN-Habitat

UN-Habitat is the UN programme working towards a better urban future. Its mission is to promote socially and environmentally sustainable human settlements development and the achievement of adequate shelter for all. Initiatives and programmes include:

Africa urban agenda programme	Global public space programme	Urban low emission development programme
Cities and climate change initiatives	Urban planning and design lab	National urban policies
Cities and climate change academy	Participatory slum upgrading programme	Planned city extensions
City resilience profiling programme	Safer cities programme	Urban youth fund

UN-Habitat convened the Habitat III Conference in October 2016, which agreed a **New Urban Agenda**.

(2012) *Gender responsive urban planning and design.* UN-Habitat.

(2012) *State of the world's cities 2012/13: Prosperity of cities.* UN-Habitat.

(2014) *The challenge of local government financing in developing countries.* UN-Habitat.

(2014) *Construction of more equitable cities.* UN-Habitat.

(2014) *State of world population 2015: Shelter from the storm, a transformative agenda for women and girls in a crisis-prone world.* UNFPA.

(2014) *Framework of actions for the follow-up to the programme of action of the international conference on population and development beyond 2014.* UNFPA.

(2014) *Governance for sustainable development: integrating governance in the post-2015 development framework.* UNDP.

(2014) *The evolution of national urban policies: A global overview.* UN-Habitat.

(2015) *The state of Asian cities 2015. Urban transformations: Shifting from quantity to quality.* UN-Habitat.

(2015) *UN-Habitat global activities report 2015: Increasing synergy for greater national ownership.* UN-Habitat.

(2015) *Local governments' pocket guide to resilience.* UN-Habitat.

Women in Informal Employment: Globalizing and Organizing (WIEGO)

WIEGO is a global network focused on securing livelihoods for the working poor, especially women, in the informal economy. It seeks to create change by building capacity among informal worker organisations, expanding the knowledge base and influencing local, national and international policies.

World Bank (urban development)

The **World Bank's work in urban development** aims to build sustainable communities. This is aligned with institutional goals to end extreme poverty and boost shared prosperity through urbanisation that is **inclusive, resilient, low carbon and liveable**, as well as competitive. The World Bank undertakes a wide array of programmes and projects around these broad areas.

(2011) *The political economy of sanitation: How can we increase investment and improve service for the poor?*

(2012) *Urban risk assessments: Understanding disaster and climate risk in Cities.*

(2013) *Planning, connecting, and financing cities – now: Priorities for city leaders.*

(2014) *Municipal finances: A handbook for local governments.*

(2015) *City Strength Diagnostic Methodological Guidebook.*

(2016) *Leveraging urbanization in South Asia: Managing prosperity and liveability.*

Annex 2: Key resources

Websites

- **C40 Cities group**
- **Cities Alliance**
- **Eldis: Urban poverty**
- **Global Development Research Center (GDRC): Urban governance**
- **Global Land Tool Network (GLTN)**
- **Local Governments for Sustainability (ICLEI)**
- **Shack/Slum Dwellers International (SDI)**
- **Sustainable Cities Index (2016)**
- **UN Human Settlements Programme (UN-Habitat)**
- **UN-Habitat Safer Cities Programme**
- **UN-Habitat Issues Papers**
- **Women in Informal Employment: Globalizing and Organizing (WIEGO)**
- **World Bank: Urban development**

Journals

- **Environment & Urbanization**
- **International Development Planning Review**
- **International Journal of Urban and Regional Research**
- **Urban Studies**

Books

- Beall, J., Guha-Khasnobis, B. & Kanbur, R. (2010). *Urbanization and development: Multidisciplinary perspectives*. Helsinki: UNU WIDER.
- Devas, N., with Amis, P., Beall, J., Grant, U., Mitlin, D., Nunan, F. & Rakodi, C. (2004). *Urban governance, voice and poverty in the developing world*. London: Earthscan.
- Fox, S. & Goodfellow, T. (2016). *Cities and development*. 2nd ed. Abingdon: Routledge.
- Mitlin, D. & Satterthwaite, D. (2012). *Urban poverty in the global south: Scale and nature*. Abingdon: Routledge.
- Satterthwaite, D. & Mitlin, D. (2014). *Reducing urban poverty in the global south*. Abingdon: Routledge.