

Participatory Planning and Development of Informal Areas – Institutional Settings, Organizational Arrangements & Capacity Building: Some Basic Concepts

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These notes look at some of the vocabulary of the current urban development and planning paradigm and the concepts behind it and examine the implications for action, with emphasis on the role of government. Three fundamental issues are discussed: participation, decentralisation and capacity building.

WHAT IS PARTICIPATION?

There is an abundant literature on participation that analyses its many different interpretations and implications. Perhaps the most widely quoted is Sherry Arnstein's *Ladder of Citizen Participation*, which identifies eight rungs on the ladder that range from 'manipulation' in a category of non-participatory communication to full 'citizen control'². However for the purposes of this discussion, participation in urban development and planning may be characterised by three different interpretations that, in turn, can be seen as a progression in the international understanding of the concept of public engagement in urban governance, planning and management.

The first of these, '**Participation [Mark 1]**' may be summarised as the participation of people in governments' programmes and projects. This, the first significant recognition of the importance of engagement of non-governmental stakeholders in public indecision-making came to the fore at the first United Nations Conference on Human Settlements in Vancouver in 1976³. At best this level of participation embraces programmes such as 'sites and services' in which public authorities identify land for development, draw up layout plans and allocate plots for individual development by householders and enterprises within the constraints of development control legislation. 'Participation Mark 1' includes the processes of public consultation in which the views of citizens and civil society organisations are sought, though with no guarantee as to the extent that they will be heeded.

'**Participation [Mark 2]**' reverses this, becoming the participation of government in peoples' programmes and projects. This approach emerged during the United Nations International Year of Shelter for the Homeless (IYSH) in 1987 and the '*Global Shelter Strategy to the Year 2000*' that was endorsed by the UN General Assembly in 1988. But it really hit the international stage at the 'Earth Summit' in Rio de Janeiro in 1992⁴, which launched the highly influential Agenda 21 for environmental planning and management, and more importantly Local Agenda 21 (LA21) with the slogan

1. Aided self-help

Under this approach, typified by the United States Alliance for Progress aid to cities in Latin America in the 1970s and '80s, government agencies planned and designed new housing areas. Low-income families were allocated dwellings in them, in exchange for which they had to provide the construction labour. However, they had no real decision-making role. They had no say in the location, design or cost of their dwellings, which many could not ultimately afford.

2. Khuda-ki-basti, Hyderabad, Pakistan

The Hyderabad Development Authority (HDA) made urban peripheral land available to the lowest income groups at affordable costs. The only infrastructure provided was minimal access to safe water and a basic technical advisory service. As communities got organised and informal housing was developed by them, the HDA assisted with other enabling supports and the incremental provision of infrastructure and services when it was demanded and on terms defined by the community.

www.unesco.org/most/asia9/htm

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2. 1) Manipulation; 2) Therapy; 3) Informing; 4) Consultation; 5) Placation; 6) Partnership; 7) Delegated power; 8) Citizen control. (Arnstein, S.R., *A Ladder of Citizen Participation*, Journal of the American Institute of Planners, Vol.35, No.4, 1969).

3. Otto Koenigsberger, Charles Abrams, John F. C. Turner and others had been advocating participation in urban housing for more than a decade before 1976 (see Abrams, C., '*Housing in the Modern World*' 1966; Turner, J. & Fichter, R. '*Freedom to Build*', 1972)

4. United Nations Conference on Environment and Development (UNCED).

“think globally and act locally”. This gave emphasis to participatory governance and the role of the state as ‘enabler’ to the implementation of locally made decisions. In terms of urban development, emphasis shifted to urban renewal and regeneration and the upgrading of deprived environments, communities and economies on terms determined by those most involved – communities and households – the top rungs of Arnstein’s ladder.

The third approach is that of ‘**Partnership**’, in which participants share both the risks and the benefits of urban development and management, came to the fore at the ‘City Summit’ in Istanbul in 1996⁵ as the principal platform for the Habitat Agenda and the UN campaigns for ‘Urban Governance’ and ‘Security of Tenure’ that followed. Partnership, characterised by the shared ownership of development initiatives, differs significantly from participation in which one party is the ‘owner’ of a programme or project in which the other stakeholders participate. Whilst public-private partnerships (PPPs) between government and formal private sector enterprises in urban development projects are becoming increasingly common, those between government and urban low-income communities and civil society organisations are complex and real partnership is rarely achieved. Many so called partnerships are little more than conventional subcontracting arrangements between government agencies and civil society organisations or community groups, not authentic partnerships at all⁶.

3. Agua Para Todos, Cochebemba, Bolivia

A cost- and risk-sharing partnership, initiated by a low-income community with an NGO was established by a municipal water company, a private sector consortium, and low-income communities for the extension of the municipal water distribution system and the management of its delivery, including the administration of user charges. All participants were shareholders that benefited from increased efficiency, reduced maintenance costs and cheaper water for the consumers. They also shared responsibility for inefficiencies and failures.

<http://aquatuya.com>

Not all situations lend themselves to one particular approach to participation or partnership. So, despite the historical sequence of concepts presented here, there are many conditions in which partnerships are inappropriate or in which consultation (Mark1 Partnership) is the most effective form of stakeholder collaboration.

URBAN GOVERNANCE, MANAGEMENT AND ADMINISTRATION

In considering different forms of participation and partnership in urban development, particularly the development of informal areas, it is important to distinguish between:

- **governance** as a process of decision-making and setting standards;
- the **management** of urban development – new initiatives and capital investments; and
- the routine **administration** of service delivery and maintenance of infrastructure

whilst recognising the inter-dependence of all three and the importance of their integration.

In a democracy governance and planning are clearly a participatory processes that engage all those who have a stake in decisions that are made, usually through a system of representation, though direct democracy (referenda, ‘town-hall’ meetings, community assemblies, etc) has an important place in many decision-making processes, particularly those involving, and within, low-income urban communities, most of which are highly diverse, embracing social majorities and minorities, women, men, young and old, all with different needs, ambitions and allegiances.

Managing the implementation of development plans through programmes and projects, particularly in low-income neighbourhoods, is increasingly being shown to benefit from partnership arrangements between the funders/financiers (generally government or international agencies), regulators (local government) and the beneficiaries (communities).

The administration of service charges for day-to-day utility delivery (water, sanitation, power, etc) has also often been shown to be more efficient (affordable) when undertaken, at least in part, by the user community, either in a profit-sharing partnership or through a subcontracting arrangement with the service provider. Solid waste management and the

5. United Nations Conference on Human Settlements (Habitat II).

6. See: Riley, E. & Wakely, P., ‘*Communities and Communication: Building Urban Partnerships*’, ITDG Publishing, London, 2005

maintenance of local infrastructure (street drains, local public open space, access ways, etc) and other community assets can also be more efficient and effective when in local control.

Invariably the introduction of any real participation or partnership in the planning and management of cities and the maintenance of its infrastructure and services entails a degree of decentralisation of responsibility and authority.

WHAT IS DECENTRALISATION?

Decentralisation, another loosely used term, embraces a range of different concepts and meanings. At one end of the scale are approaches such as **de-concentration** and **decongestion** in which responsibility for the implementation of centrally-made decisions are dispersed to decentralised authorities or provincial outposts of a national ministry or agency.

An extension of this form of decentralisation is the process of '**privatisation**' whereby managerial and administrative responsibilities are contracted out to private sector enterprises. Privatisation of traditionally public functions swept much of the world in the late 1980s and early '90s under the rubric of structural adjustment espoused by the World Bank and several bilateral donor agencies in the belief that the profit motive that drives private enterprise ensures efficient performance. However, negotiating contracts and quality control of privatised service delivery is complex and in many situations has produced some highly questionable results, particularly in terms of social equity and its impact on poverty.

Closely allied to processes of decentralisation and privatisation is that of **deregulation** or the loosening of central controls on standards and procedures. In the field of urban development and management, deregulation also has been a mixed blessing. On one hand the deregulation of stringent rules and procedures has allowed for innovation and new initiatives in both technical and managerial aspects of urban development, allowing new actors with new ideas into the process. On the other hand, the withdrawal of controls leading to the reduction of standards has often led to exploitation and excessive profiteering by the private sector.

The **devolution** of authority differs significantly from the aspects of decentralisation outlined above. True devolution is not just the delegation of managerial or administrative responsibility; it is the handing down of decision-making powers from a higher authority – national or regional government – to 'lower' levels of decision-making – local government, neighbourhood and community organisations and beyond.

WHY DEVOLVE

Devolution underpins the processes of good governance in terms of its democratic (moral) imperative, its effectiveness and its efficiency. Effective, participatory decision-making depends upon people, communities and institutions being able to participate in the planning and management of the projects and programmes that directly affect them and their livelihoods. If decisions are made at too high a level or at too low a level their results are unlikely to be either effective –the wrong decisions will be made– or efficient –resources will be wasted. The principle of subsidiarity is central to the effective devolution of authority in the planning, management and administration of urban development.

Subsidiarity is the recognition of the lowest effective level of decision making. Emphasis here is on the word 'effective'. If authority is devolved to too low a level –one that does not represent the whole of the affected community– the results of decisions are unlikely to be either effective or efficient. Similarly, if decisions are made at too high a level, as is most common, it is unlikely that the values and priorities of those most affected will be well understood and their results will probably be both ineffective or inefficient. For instance, decisions about a dwelling can only effectively and efficiently be made at the level of the household; those concerning a neighbourhood, such as the use and location of public space, should be made at the level of the community that uses it; decisions to do with the distribution of water or power in a city can only be determined at the level of the municipality; and those concerning the supply of water or power are decisions that must be taken at the regional or national level.

A move to decentralisation or devolution from central to local government swept many countries in the late 1980s and early '90s⁷. However, rarely was the principle of subsidiarity fully recognised; rarely did the devolution process reach lower than municipal council level – down to the ward, neighbourhood or community, where many of the most fundamental decisions concerning poor people's lives and livelihoods should be made⁸.

HOW TO DEVOLVE

There are two aspects to the process of devolving decision-making and managerial authority that are frequently confused – empowering and enabling.

Empowering is the act of devolving authority and granting legal instruments to organisations and agents to take responsibility for aspects of development and management – giving them the power to decide and act. Empowering is about increasing the efficiency, enhancing the effectiveness and ensuring the sustainability of development by passing responsibility to those people, communities and enterprises to whom efficiency, effectiveness and sustainability matter.

However, frequently the actors at the level of decision-making to which authority should be devolved – the level that engages the greatest number of users or beneficiaries – are not adequately equipped to take on the responsibility that is devolved to them. They do not have adequate professional or technical understanding, or access to appropriate advisors; managerial and administrative capacity is lacking; they do not have adequate or appropriate organisational structures; etc. Thus they are not able to effectively exercise the power that has been devolved to them unless, together with their empowering, they have access to appropriate and responsive enabling supports⁹.

Enabling is ensuring that those who are empowered have the information, technology, skills and support to exercise their new authority (power) responsibly. It is about roles: understanding who should do what and in partnership with whom. Therefore it is also about relationships and interfacing between the different fields and the different levels of responsibility.

Thus the process of devolving authority must start by identifying the appropriate levels, organisations and institutions to which any aspect of urban planning and management should be devolved, based on the principles of subsidiarity¹⁰. Against each of these, the type of enabling support required can be charted, together with how and by whom this support will be provided.

4. Integrated Development Plans, South Africa

In 2000 the Government of South Africa charged every municipality with responsibility for preparing a five-year strategic development plan (to be reviewed annually) that responded to the needs of every section of society. This entailed a process not only of empowering municipalities, but also ward committees, civil society organisations and community groups.

www.etu.org.za/webidp.html

5. Sri Lanka Million Houses Programme (MHP)

This government programme devolved the management of support to low-income housing production to the level of small communities (CDC). This entailed re-training District Housing Managers to become advisors to CDCs and field-level inspectors to become instructors who could assist individual households with technical and supervisory skills and conduct participatory community action planning (CAP) exercises to establish priorities for action.

www.alliance21.org .

7. For example: in 1992 the 74th Amendment to the Indian constitution devolved many central government and state powers to municipalities; in Colombia Ley 9^a of 1989 gave municipalities the power to elect mayors and councils and take on responsibilities that had hitherto been the responsibility of national government; local government reform (PNDC Law 207) in Ghana in 1989 led to the establishment District and Municipal Assemblies, Zonal Councils and Unit Committees each at a different level in the tier of devolved authority with commensurate responsibilities .

8. There are notable exceptions, for instance: In Thailand the Community Organisation Development Institute (CODI) under the National Housing Authority set up the Baan Mankong Programme for the management of a housing fund that is administered through a federal structure engaging some 300,000 households; in 2,000 communities in 200 cities www.achr.net/bam_makong.htm; Local government in Ghana operates through 110 District and Municipal Assemblies, each embracing some 10-12 Zonal or Area Councils, each made up of 12-14 locally elected Unit Committees, representing a population of a little over 1,000 people or 200 households.

9. The devolution of authority under the 74th amendment of the Indian constitution (note 7 above) was seriously questioned and calls were made for the re-centralisation of powers in several states because of the inability of local authorities to exercise their functions adequately. They had been empowered, but not enabled.

10. In the interests of brevity, the discussion on subsidiarity and devolution in these notes uses the term 'level' as a shorthand for the complex range of different interest- and needs-groups in a city, such as gender, age, ethnic and social identity, faith, etc.

This may be summarised in a table with the following headings:

Component of urban development (activity, task)	Responsibility – Who (level, organisation, institution)			Support	
	Decides	Implements	Pays	What	By whom
Component 1					
Component 2					
Component 3, etc					

In short, the fundamental objective of providing enabling supports is to build the capacity of communities, agencies and institutions at the appropriate levels and fields of urban governance and management.

WHAT IS CAPACITY BUILDING?

Capacity building is the business of equipping all actors to perform effectively both in their own field and level of operation, and in working in collaboration or partnership with others operating in other fields and at other levels.

Capacity building is more than just training or human resource development. Certainly this is a very major component of it. However, if decision-makers, managers, professionals and technicians are to operate at full capacity, they need more than just their own abilities. They need an institutional and organisational environment conducive and supportive of their efforts, energies and capacities. To be effective capacity building must embrace all three aspects: human resource development; organisational development; and institutional development.

Human resource development (HRD) is the process of equipping people with the understanding and skills, and the access to information and knowledge to perform effectively – education and training. It includes motivating people to operate constructively and efficiently through the development of positive attitudes and progressive approaches to responsibility and productivity. Good human resource management provides incentives and rewards; opportunities for continuous training and re-training; clearly recognisable career opportunities; and competitive pay scales. To achieve these aspects of HRD, the organisational environment must be dynamic and responsive.

Organisational development is the process by which things get done collectively within an organisation, be it a central government ministry, a local authority department, a private sector enterprise, a civil society organisation or community group. It is to do with how things get done: management practices and procedures; rules and regulations; hierarchies and job descriptions. It is also to do with why things get done: working relationships; shared goals and values; team-work, dependencies and support.

6. Nairobi City Planning Department, Kenya
 In the mid 1980s the Chief Planner of Nairobi complained that although 14 of his 28 professional planners had been through progressive educational and training courses in London, they were unable to apply any of their new professional knowledge and skills because of the constraints imposed by the organisation's entrenched practices and procedures over which he and they had no control.

The increasing demand for more flexible and responsive management styles for the development and management of cities and settlements, embracing the devolution of authority and formation of partnerships, calls for new and very different organisational structures and relationships particularly within local government. It also calls for new relationships between different organisations that have a role in urban development and management. However, bringing about such organisational changes often depends upon institutional changes that are beyond the capacity of any single organisation or network of organisations.

Institutional development encompasses the legal and regulatory changes that have to be made in order to enable organisations, institutions and agencies at all levels and in all sectors to enhance their capacities. It embraces such issues as regulations controlling the financial management, the borrowing and trading capacity of government agencies and municipal authorities; the ability of local government to negotiate contracts and form partnerships with private enterprises and community organisations; centrally regulated conditions of employment, salaries and career structures; land use and building bylaws, and other development controls; and democratic legislation that allows, enables and encourages communities to take responsibility for the management of their own neighbourhoods and services. Such institutional issues generally need the political and legislative authority of national government to bring about effective change.

7. Ministry of Urban Development, Afghanistan

In 2006-07 the Ministry was in a situation of radical change having been divested of its former responsibility for the construction, maintenance and management of public housing and the preparation of master plans. The minister saw this as an opportunity to turn the ministry into "an organisation that enables municipalities, urban districts and communities to plan and manage their environmental, economic and social development in a participatory and co-ordinated way". That is, to turn the ministry into an advisory and capacity building organisation. However, to do this required a level of constitutional change involving the agreement of the President and Cabinet and the re-writing of inter-ministerial relationships, notably those of the Ministry of the Interior that was responsible for local government.

WHOSE CAPACITY NEEDS TO BE BUILT?

Capacity needs to be built at every level and across all fields of activity that impinge upon the development and management of cities and settlements. However, in every situation there are priorities which, for reasons of urgency or deficiency, take precedent over others in their need for attention and resources. These vary with the particular circumstances of any specific country or region, though it is becoming increasingly apparent that, globally, the weakest link in the chain and the highest priority for strengthening capacity is at the level of local government and municipal or metropolitan administration.

Municipal governments and administrations are the key actors in the management of towns and cities. Yet, over the last 40 years, in all but a handful of countries they have been starved of authority and resources. They have been constrained by obsolete legislation, restrictive practices, outmoded equipment and inappropriately trained staff. Many of their traditional development and management roles have been usurped or bypassed by central government corporations and utility companies. But the new paradigms are changing all this and calling for an urgent and massive exercise in re-building the capacity of local government and administration. This can be crudely characterised by three types of activity.

First, is the task of equipping municipal and sub-metropolitan governments and administrations, and the community organisations with which they interact, to confront and command the new urban agendas. These are dominated by the issues of the globalisation of urban economies and capital markets; the sustainability of urban environments; the reduction of urban poverty; the new concern for democratic, gender-aware and accountable governance and the eradication of corruption.

Second, is the task of 're-tooling' and, in some countries completely re-structuring, local authorities, enterprises and citizens' organisations to enable them to initiate and sustain a new style of operation. This includes the processes of decentralisation, devolution and fostering participation (including privatisation) in the delivery of urban services and maintenance of urban infrastructure outlined above.

Third, is the task of developing an enterprising and challenging work environment and career structure within local government that attracts and motivates the best professionals, technicians and managers and rewards their creativity and innovation.

Community-based organisations and local NGOs rank very close to formal local government in the league of priorities for capacity building. The emerging role of neighbourhood and community groups, as a new tier of local governance that comes between individual households and municipal authorities, is almost without precedent. Though, in many countries, there are parallels with traditional village, guild or parish councils, there is a fundamental difference in that, although such urban communities are rightly taking on many of the traditional management functions of municipal authorities, it is important that they remain 'non-governmental' so that they can maintain a 'watch-dog' role over municipal authorities,

maintaining transparency and holding them accountable to their constituents. The capacity building support that they need is generally as much to do with the skills of political negotiation as it is with community management and the administration of local infrastructure, services and finance.

The private sector which, by definition, is only in the game to make a profit, must generally take responsibility for building and maintaining its own capacity to compete. There are situations, however, where the informal private sector and some formal sector enterprises need assistance in the form of legislative deregulation and incentives that encourage and enable them to enter the market, particularly for the production of low cost housing and infrastructure. In many situations there is also the need for easy access to management training for small and informal sector enterprises. This is often as much in the interests of small contractors' clients as their own competitive ability.

To be effective, capacity building for participatory planning and the development of informal areas must integrate all the components and activities outlined above. Also it must be demand-driven and able to respond to emerging changes in urban policy and shifts in operational strategy. Much formal training tends to be static and supply-driven by educational and training establishments that only offer menus of ready-made courses that are unable or unwilling to respond to emerging demands. Capacity needs assessments tend to review capability deficiencies of organisations against current, if not outdated, institutional terms of reference and job descriptions rather than those required to respond to future needs. Knowledge transfer tends to be confined to the transmission of information rather than the development of understanding.

Thus in the whole gamut of developing capacity for the development of informal areas there is a need for new forms of communication that are able generate new understanding as well as share information.

NEW FORMS OF COMMUNICATION

Trust is central to the processes of participation and the development of partnerships. Trust, however, is dependent upon **understanding** the values and aspirations of those engaged in the formation of partnerships. Understanding depends upon **communication**, not only of information, knowledge and skills but, more importantly, of ideals, ideas and priorities.

New progressive approaches to communication, to develop understanding between the actors and stakeholders in urban development have been emerging internationally over the last decade. These have included 'city consultations' aimed at bringing different public, private and community sector stakeholders together to reach a common 'vision' for a city and to agree development priorities and plans of action to work towards its achievement¹¹. Such initiatives have tended to focus on formal institutions giving emphasis to economic development and 'city competitiveness', though the reduction of urban poverty invariably forms an important part of this.

National and international federations of urban poor community groups have introduced highly effective forms of communication through exchange visits, discussions and demonstrations. These not only provide opportunities to compare experiences and reinforce strategic approaches to the problems they face but have also been effective in opening new dialogues between community groups, political leaders and government officials¹².

11. See, for example, the Cities Alliance on-going programme of promoting and supporting the development of City Development Strategies (CDS) www.citiesalliance.org and UN-Habitat/UNDP/World Bank Urban Management Programme 1989-2006 City Consultations.

12. The Asian Coalition for Housing Rights www.achr.net and Shack/Slum Dwellers International www.sdinnet.co.za amongst other federations of urban community organisations have developed far-reaching approaches to the development of new levels of understanding between urban poor communities and national and local governments.

IN CONCLUSION

Urban development and particularly the development of low income communities and informal areas is a complex and highly political process. It touches the most fundamental social, economic and environmental issues. It deals with dynamics of communities and economies in the process of rapid and radical change. Providing support to this process requires governments to be both flexible and integrative in their response to the priorities of different urban low-income communities. New approaches are needed to coordinate, if not integrate, the development and delivery of urban services. New approaches are needed to engage and equip the stakeholders at all 'levels' and in all 'fields' of urban development planning and management.

8. Transferability and learning from experience

There is a wide and growing range of international experience of the interpretation and application of the concepts and principles outlined in these notes, a few of which have been referred to in the boxes and footnotes. Some of those, not mentioned, but with relevance to the development of informal areas in Cairo include:

- The Favela Bairro programme in Rio de Janeiro, Brazil, for the integrated upgrading of large informal settlements and connecting them with the formal city www.rio.rj.gov.br/habitacao
- The Community Led Finance Facility (CLIFF) in India, Philippines and Kenya for the provision of bridging finance for infrastructure improvement by slum communities in partnership with government www.homeless-international.org
- The Orangi Pilot Project in Karachi, Pakistan, for the community-based installation and management of sewerage by communities in conjunction with local government in high density urban settlements www.opinstitutions.org
- Participatory budgeting, which started in Porto Alegre, Brazil and has been taken up by many cities in order to embrace local priorities for investment in development http://en.wikipedia.org/wiki/participatory_budgeting