Policy Options for Participatory Governance and Local Economic Development in Africa

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Abstract

In the recent literature, the term ‘participatory governance’ is applied in three ways: First as a normative concept, i.e., the portrayal of participatory governance as a desirable project with many utopian features; second as a descriptive term for a type of decision-making process involving several stakeholders, and third as an empirical-analytical concept that focuses on participation and input. All three definitions, however, have not fully been elaborated upon to date and have not always been used in a clear and explicit manner. The target in this paper is to take part in the development and the elaboration of an analytical tool to analyze empirical forms of participatory governance in Africa. The general questions of interest are: what is the purpose of stakeholder involvement in an African context; which stakeholders take part in which phase of the policy process? And third: Is there a connection between input, output, and outcome? Does an inclusive form of participation and input equity result in Local Economic Development (LED) providing more equity as well? Output and outcome can be defined in different ways – according to the studied cases. Output can be a law, a program, a policy or a standard. Outcome may be the solution of a problem or a material result such as the amount of goods produced or improvement in the citizens’ quality of life. This paper is part of a ‘work in progress’: A part of a research project by the authors which has just recently begun. Thus, the frame of research will be in the center and the application of the frame is still in process. Several questions will remain open or can be merely touched upon. In the context of this conference, focus is on “Policy Options for Participatory governance and local Economic Development”, the central theme being “Linking Participatory governance to Local Economic Development and Poverty Reduction”
Introduction

The debate on participatory governance has a very long tradition, although a variety of different wordings was used before the emergence and distribution of the term ‘governance’. Concepts of political arrangements emphasizing participation – for example, ‘sovereign power’ (Rousseau), ‘participatory democracy’ (e.g., Carole Pateman 1970), or ‘strong democracy’ (Benjamin Barber 1984) – have been widely discussed for decades, both in political science as well as in politics. In the 1990s, the term ‘participatory governance’ has been adopted in accordance with the general debate on governance as a new form or even substitute of the traditional government (e.g., Benz 2004). No matter which wordings and terms were applied, the basic theses of participatory governance concepts remain similar: They focus on bottom-up participation with involvement of several stakeholders. Proponents claim that additional political participation would improve the quality of politics and “make better citizens” (Mansbridge 1999). Since its emergence in the 1990s the term ‘participatory governance’ has experienced an astonishing career. It is surprising that there were hardly any discussions whether and how ‘participatory governance’ is similar or different from the older concepts of ‘participatory democracy’ or ‘strong democracy’. However, the added value of the new term, which seems to be nearly identical with older concepts at least on first sight, is not stipulated clearly and precisely. Schmitter (2002), for example, defines participatory governance as follows: “The regular and guaranteed presence when making binding decisions of representatives of those collectives that will be affected by the policy adopted.” The presence of stakeholders at the process of decision making is not sufficient and as such it can be argued that participatory governance could include participation at all phases of the policy process – from agenda-setting to evaluation – this definition is very similar to older definitions of participatory or strong democracy. Nonetheless, this paper adopts the term and intends to contribute to its further clarification. In the recent literature, the term ‘participatory governance’ is applied in three ways: First as a normative concept, i.e., the portrayal of participatory governance as a desirable project with many utopian features; second as a descriptive term for a type of decision-making process involving several stakeholders, and third as an empirical-analytical concept that focuses on participation and input. All three definitions, however, have not fully been elaborated upon to date and have not always been used in a clear and explicit manner. The target in this paper is to take part in the development and the elaboration of an analytical tool to analyze empirical forms of participatory governance in Africa. The general questions of interest are: what is the purpose of stake
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An Overview of the Scope of Participatory Governance and Poverty Reduction in Developing Countries

Good governance has recently been accorded a central place in the discourse on development. In some ways, this may seem to be a fairly self-evident proposition, but many issues need clarification. For example, what are the essential features of an appropriate governance structure, what are the problems involved in achieving good governance, and what actions need to be taken in order to tackle these problems?

Governance is a somewhat elastic concept. It has been interpreted in many different ways so as to encompass many different aspects of social organisation and the institutional framework within which social and economic activities are performed. Much has been written in the recent past on all these questions. The latest UNDP publication *Overcoming Human Poverty* is devoted largely to exploring the multiple relationships between good governance and poverty reduction (UNDP 2000). The World Bank, other international agencies and many individual researchers have also addressed these dynamics. A number of country studies sponsored by UNDP from 1997 to 1999 as part of its Poverty Strategies Initiative (PSI) have also dealt with different aspects of these issues in their specific country contexts. This section seeks to blend the ideas and lessons that emerged from the PSI. It focuses on one specific
aspect of the institutions of governance namely, governance at the level of local communities. This focus entails a range of concerns involving decentralisation, people’s empowerment, and the involvement of community-based organisations in local affairs, as well as the relevance of all these reforms to poverty reduction.

The first sub-section begins by noting the multiplicity of meanings that the term ‘decentralised governance’ seems to have acquired over time. People’s participation at the grassroots level is an integral part of this notion of decentralisation. The value of participatory decentralisation is demonstrated by drawing upon various examples contained in the studies sponsored by UNDP. Two sets of problems are then identified that stand in the way of establishing truly participatory decentralisation. They relate, on the one hand, to the devolution of power from the top and, on the other, to genuine involvement of the poor from the bottom. The first set of issues is discussed in the following two sub-sections of this section, in the light of the empirical evidence presented in the PSI studies. It is then argued that a crucial precondition for tackling both these problems is the creation of an environment that can empower people, especially the poor, so that they can exercise their voice in the affairs of governance. This paper then takes up this issue by examining various approaches to empowerment.

**Decentralisation and people’s participation in local governance**

‘Big government’ is often blamed for the persistent woes of the poor in the developing world. It would be more accurate to say, however, that the problem lies in the wrong kind of government, such as a governance structure that meddles too much into the details of economic activities that are best left to the market, but provides too little support on ‘public’ matters that genuinely require non-market mediated governance. In the latter sense, one might even say that the rural people are actually under governed, as Thompson (1991) has suggested in the context of Sub-Saharan African countries. Thompson’s characterisation of the Sub-Saharan African countries in this regard is generally valid for much of the developing world. While some activities affecting the rural poor are better left to the market, there is a large set of problems, characterised by market failure, that do require collective regulation or action by some sort of government(s) for their resolution. The problem of common property resource management is a prime example, as are public utilities and the provision of social and physical infrastructure. The reach and quality of
governance in these spheres all too often fall short of requirements in part because government means a central bureaucracy preoccupied mostly with national or regional issues. To some extent, voluntary groups and community organisations can deal with local problems, but there is a limit at which they can function effectively. The characteristic that most obviously distinguishes a voluntary organisation from a government is the absence of the capacity to make binding, non-voluntary decisions backed by legally sanctioned coercive power. In the absence of this capacity, all decisions are voluntary and have to be taken on the basis of unanimity. This can prevent collectively rational decisions from being taken.

Sometimes, local leaders assume governmental powers illegally, so as to achieve some specific objective. For example, Wade (1987) describes some illegal village governments in South India that were formed in order to manage local irrigation systems. But the lack of legality of these pseudo-governments inevitably constrains their ability to perform the full range of functions that a legally constituted government could have done. Besides, it also makes them vulnerable to extinction, or at least impotence, in the event of a clash with the proper government. A classic example is provided by Yemen, where a rich tradition of community-based local governance that had emerged from the grassroots and evolved over time largely outside the official domain was suddenly destroyed by a government edict in the 1980s that sought to introduce government-sponsored decentralisation (Yemen 1988). It is, therefore, essential to first establish a legally sanctioned structure of decentralised governance within which the community-based organisations can then play a role.

There is also a reflective lack of clarity on what ‘decentralisation’ is supposed to mean. The concept seems to have evolved over time and has by now acquired several shades of meaning (Mawhood and Davey 1980; Landau and Eagle 1981; Mawhood 1983; Conyers 1983, 1984). The first widespread use of this term in the development literature began in the 1950s, when a fairly consistent set of institutional changes were being introduced by the colonial powers (especially Great Britain) in preparation for granting independence to many African countries (Ostrom et al. 1993). This ‘classic’ decentralisation, as Mawhood and Davey (1980) described it, was organised around five principles:

- Local authorities should be institutionally separate from central government and assume responsibility for a significant range of local services, mainly for primary
education, clinics and preventive health services, community development, and secondary roads.

These authorities should have their own funds and budgets and should raise a substantial part of their revenue through local direct taxation.

Local authorities should employ their own staff, although in the initial stage the regular civil service staff could be employed temporarily.

The authorities would be governed internally by councils predominantly composed of popularly elected representatives.

Government administrators would withdraw from an executive to an advisory and supervisory role in relation to local government.

Classic decentralisation, however, rarely took place. Instead, the political leadership of developing countries usurped the term to describe very different types of administrative reorganisations. Because of these variations, it has rightly been suggested that ‘decentralisation is not one thing; nor is it even a series of degrees along a spectrum or scale. For comprehensibility and utility in policy circles, the overarching abstraction ‘decentralisation’ must be split into a host of separate, occasionally conflicting entities’ (Cohen et al. 1981).

One classification scheme distinguishes four different forms of decentralisation (Rondinelli and Nellis 1986; Rondinelli et al. 1987; Blair 1995, 1998):

**Deconcentration**

This refers to institutional changes that shift the authority to make certain types of decisions from national civil service personnel in the capital to national civil service personnel posted at dispersed locations. In this arrangement, staff and resources are transferred from headquarters to lower units of administration under chief officers who can take operational decisions without reference to the headquarters.

**Devolution**

This refers to reorganisation efforts that approximate ‘classic’ decentralisation most closely, insofar as significant amounts of independent legislative and fiscal authority are transferred to sub-national governments. Responsibilities and resources are transferred to these local governments with a large degree of autonomy to decide how to use the resources.
Delegation
This refers to transfers of authority to public corporations or special authorities outside the regular bureaucratic structure. Agents not belonging to public administration are delegated by the central government to perform specific functions. The central government sets the objective of the delegated agents and transfers resources to them on the basis of approved plans and budgets, but the agents have a fair degree of autonomy in performing their functions and may even have autonomous sources of revenue, including borrowing from the capital market.

Privatisation and partnerships
These refer to transfer of responsibility for public functions to voluntary organisations or private enterprises. The objective here is to mobilise the capacity and initiatives of civil society organisations (CSOs) working for social and economic development. Resources are transferred to the CSOs who enter into an agreement with the government on the basis of an indicative programme of work. Government does not interfere with their plans and budgets, but enforces ex post controls over the use of resources.

Of these four forms deconcentration amounts to the least amount of transfer of power to the local people. This type of administrative organisation can hardly be described as a move towards the development of local governance. Delegation, too, does not by itself transfer power to the local people, although the delegated agencies have scope for involving local people in their decision-making process. The two other forms, devolution and privatisation or partnership, provide the greatest scope for developing genuinely local governance based on popular participation.

It is arguable that people’s participation in the process of governance is an essential precondition for successful decentralisation from the point of view of both efficiency and equity. One of the reasons is that it enables local services to be tailored according to local preferences.

But what is the mechanism through which local preferences are to be known?

The only feasible way is to have an inclusive process of local governance through which each segment of the population can express and fight for their preferences.
Cases of community-based resource management in Mexico

This point is underlined by Klooster (2000) in a revealing comparison between successful and unsuccessful cases of community-based resource management in Mexico. He has identified two distinguishing features of successful management. One relates to the presence of vigorous, regular and well-attended community assemblies. The other is the existence of accounting and reporting practices that provide community members with a healthy flow of information.

There are several other ways in which participation can improve the efficiency as well as equity of resource use. Thus, community participation has been known to improve the efficiency of irrigation systems by making use of local knowledge on soil conditions, water velocity and shifting water courses. It has also improved the efficiency of water and sanitation projects, by ensuring that these are located where they are most likely to be used, as well as of public work projects, by utilising local knowledge about safety hazards and vandalism.

Participation for common property resource management in Madhya Pradesh (India) and Nepal

The value of participation for common property resource management is also highlighted in the human development reports (HDR) sponsored by UNDP in Madhya Pradesh (India) and Nepal. The Madhya Pradesh HDR gives a rich account of how participatory management of forests instituted under the Joint Forest Management Scheme (JFM) has begun to yield hope of halting the age-old process of forest depletion. The concept of Joint Forest Management has been defined as ‘the sharing of products, responsibilities, control and decision-making authority over forest lands between Forest Department and local user group. It involves a contract specifying the distribution of authority, responsibilities and benefits’ (Madhya Pradesh 1998). For a long time, the local people themselves were partly responsible for resource depletion, as they overexploited the forest resources for their immediate economic gain. JFM has sought to counter this tendency by vesting ownership of forest products to the people and by actively involving them in forest management. In this way, people can perceive a stake in the long-run preservation of their forestry resources, and apply their own preferences in deciding the rate and manner in which they are to be exploited. For this purpose, Village Forest Committees were set up for rehabilitation of degraded forests, and Forest Protection Committees were created to protect the well-wooded forests.
By all accounts, these efforts, initiated in the early 1990s, are already beginning to have a visible impact on Madhya Pradesh’s forest resources. A similar approach to forest preservation has been adopted in parts of Nepal (Nepal 1998). Within the framework of Community Forestry Projects, forests are being handed over to community-based user groups for local management. By the end of 1995, about 200,000 hectares of forestland had been transferred to over 4,500 user groups, with thousands of other user groups awaiting formal registration.

The Forest Act of 1993 recognised forest user groups as ‘autonomous and corporate institutions with perpetual succession’ with rights to acquire, sell or transfer forest products. In 1995, the Federation of Community Forestry User Groups of Nepal was founded with the purpose of mobilising and articulating the interests of the user groups by increasing their awareness and strengthening their coordination.

Available statistics show that this participatory approach to resource management has been much more successful than earlier top-down approaches when the Forest Department held supreme power. Evidence from Nepal also points out the benefit of participation in water resource management. Two large-scale irrigation programmes, the Irrigation Sector Project (ISP), 1989-1996, and the Irrigation Line of Credit Pilot Project (ILCPP), 1988-1997, emphasised popular participation both in the design and the implementation of the projects. The ISP sought to organise farmers into water users’ associations prior to project approval and to build up their capacity, so that their services could be utilised for upgrading the physical facilities and improving the performance of irrigation systems. While the ILCCP did not mandate that farmers organise themselves prior to project approval, it did nonetheless promote their participation at all stages of the project cycle. A recent evaluation report has found evidence of strong participation by user groups. Not only did they actively participate in the design of the project, but they also contributed handsomely in terms of both cash and labour at the stage of implementation (Nepal 1998).

Other research findings have confirmed the superior performance of farmer managed irrigation systems. Thus, from a data-base of 127 irrigation systems, of which 86 were community-managed and 22 government-managed, the community-managed systems were found to be more efficient in terms of crop yield and cropping intensity (Ostrom and Gardner 1993; Ostrom 1994). The reason for this difference lies in the differing ability of the two
institutional forms to ensure water during the winter and spring seasons when it becomes increasingly scarce. A higher percentage of community-managed systems were able to get abundant water to both the head and the tail of their systems across all the seasons. Since water availability may depend on a number of physical factors that have little to do with institutions, Ostrom and Gardner (1993) carried out a regression analysis to isolate the effect of these factors and still found community management to be the superior institutional framework.

Service Delivery within the Framework of Participatory Decentralization in Madhya Pradesh (India)
Apart from resource management, service delivery can also be greatly improved when carried out within the framework of participatory decentralisation. The Education Guarantee Scheme (EGS) of Madhya Pradesh is a shining example (Madhya Pradesh 1998). Its literacy rate is appallingly low, even by the low average standards of India. In January 1997 the government of Madhya Pradesh introduced the innovative Education Guarantee Scheme, which involved both a guarantee on the part of the government and a compact between the government and local communities for sharing the cost and managing the programme. Under the Scheme, the government guaranteed the provision of a trained teacher, the teacher’s salaries and training, teacher-training materials and contingencies to start a school within 90 days, wherever there was demand from a community without a primary schooling facility within one kilometre and provided this demand came from at least 25 learners in case of tribal areas and 40 learners in case of non-tribal areas. The community, in turn, had to identify and put forward a teacher and provide the space for learning. Local management committees were set up for taking responsibility for day-to-day management of schools, and in particular for ensuring regular attendance on the part of both teachers and students.

By all accounts, the Scheme has proved to be an overwhelming success. In the first year of its operation, more than 40 new schools opened each day, and after 18 months, the state could boast universal access to primary education. A good deal of work remains to be done in terms of improving the quality of education offered by these schools, but at least in terms of ensuring access to education, the Scheme clearly demonstrates the power of a decentralised participatory approach.

A Case Creating a More Conducive Environment for Resource Mobilisation in Nepal
Yet another way in which participatory decentralisation helps is by creating a more conducive environment for resource mobilisation. For example, the Nepal HDR has noted how participatory water management projects have given the incentive to water users to contribute
generously towards project costs. Nearly 72 per cent of the beneficiaries contributed cash, labour or both for the two farmer managed irrigation projects mentioned earlier. In terms of labour input, effective farmer participation was 51 labour days per hectare, and the farmers’ total contribution, whether in cash or labour, amounted to 12 per cent of total project costs (Nepal 1998).

The Uganda Participatory Poverty Assessment Project (UPPAP)
Another example comes from the Uganda Participatory Poverty Assessment Project (UPPAP) undertaken in the districts of Kumi and Kapchorwa under the auspices of UNDP and other donor organisations. Since people felt confident that locally mobilised resources would be used mainly for the benefit and according to the preferences of local people, they claimed to be more inclined to pay taxes to local governments than they otherwise would have (Uganda 1999a, 1999b).

The Education Guarantee Scheme of Madhya Pradesh also illustrates the resource mobilisation aspect. The scope for genuine participation by the local community has encouraged them to contribute materially towards the provision of primary education by providing for the school structure. By contrast, evidence from Tanzania shows how, in the absence of genuine participation, top-down planning for education has failed to elicit physical and material contribution from the villagers (Kikula et al. 1999).

The value of truly participatory decentralisation has thus been firmly established.
It should be borne in mind, however, that the history of attempts to institutionalise participatory decentralisation on a wide scale is replete with many more cases of failure than of success. A host of problems is associated with transferring power from the top downwards. Other problems involve organising people at the grassroots level so that all segments of the community, including the poorer and the weaker ones, can effectively participate.
Participatory governance – Theoretical-analytical Approach

In general two principles are considered fundamental criteria for participatory governance: Participation and local economic development. Whether there is a connection between participation and local economic development is controversially discussed in political scientific literature. Three different theoretical approaches can be identified:

Negative impact of “too much” participation on local economic development

One of the most famous authors representing this theoretical approach is Dahl (1994). He described what he calls the democratic dilemma, that is, the conflict between system outputs versus citizen participation:

The two that compose the dilemma under discussion here are the ability of the citizens to exercise democratic control over the decision of the polity versus the capacity of the system to respond satisfactorily to the collective preferences of its citizens (Dahl 1994: 28).

In the wake of this consideration, several arguments support the concept of the superiority of a purely representative type of democracy: Firstly, a broader participation of citizens and social groups is considered counter-productive, because this prevents an effective and efficient working of the political elite. Elite pacts and compromises would hardly be possible. Second, average citizens do not have the necessary skills and knowledge to be able to decide on complex political issues. Most policies and problems would “require greater substantive information than the general public (or most legislators) has at their disposal” (Sabatier 1991: 149). Other arguments include the danger of populism, of minority oppression, or the decrease of influence of the less educated (because they are often less involved in participatory forms of governance).

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**No connection between participation and local economic development**

Some authors propose that there be no connection between input and output at all. In their view, output depends on several variables, but not necessarily on the input arrangements. Crucial variables could, for example, be institutional arrangements, socio-economic conditions of a country, or the values and competencies of the governing elites. Nevertheless, this topic was especially discussed in the context of the consolidation of new democracies (Merkel 1999: 53ff.; Eisen /Kaase 1996) and much less in the context of policies.

**Positive impact of participation on local economic development**

Contrary to the arguments mentioned before, proponents of participatory democracy theories state a positive connection between participation and output/outcome (see Luthardt 1994/2000; overview: Schmalz-Bruns 2002). According to these authors, the political system can only “work well” if citizens are involved and exercise democratic control to a large extent. Different arguments refer to the positive effect of participation and this paper only mentions a few of them. Authors such as Lindblom (1965) or Fischer (2000) developed an argument that is centered on the knowledge of the people; citizens have special knowledge that is indispensable for the development of practice-oriented, effective, and meaningful solutions to problems. The involvement of stakeholders would allow the gathering of knowledge and lead to optimal results. Most authors also assume that political decisions are better accepted when the affected people were involved in the process of decision making. Thus, a participatory policy-process would facilitate the implementation of a policy. From this perspective, participation is not an antagonism to local economic development, but the condition of optimal output/outcome. Budge (1996) puts forward another argument. He criticizes “the elective dictatorship of a majority party”. Thus, “unpopular policies can be enforced years after support for them [the parties] has evaporated – even without putting them in an electoral programme” (Budge 1996: 192).

For several years now, the last theory has been gaining more and more support. International organizations of networks of state and non-state actors assume that participatory governance provide positive effects and benefits. Institutions such as the OECD argue:
There has been a growing recognition that the ability or power of collective institutions to chart a particular course depends to an increasing degree on the active involvement of the governed. (OECD: 7)

The Commission of the European Union (2001) has pointed out the importance of participation of people in its White Paper, too (“European Governance. A White Paper”, COM 428, Brussels). And also the World Bank suggests participatory governance as a means to reduce poverty in developing countries. It is not surprising that the same holds true for the UNDP or the UNHABITAT. Jasanoff and Martello (2004: 335), for example, found out, when looking at the involvement of indigenous people in international regimes, that the “clearest marker of the discovery of the local is the formal admission of local and indigenous knowledge into many global environmental regimes.” “[I]nternational policy programs […] portray traditional knowledge as a tool for solving problems such as deforestation, dryland degradation, biological diversity loss, and poverty” (Martello 2001: 134). This finding also supports the impression that participatory governance and the involvement of stakeholders is a “hot topic”

Nevertheless, from a scientific point of view the relation between input on the one side and output or outcome on the other is still under-researched. Several case studies supported one or the other argument, but many questions still remain open. Correspondingly, the research on participatory governance with its advantages and disadvantages is still at the beginning.

Local Economic Development (LED) – A Theoretical Analytical View

In international debates about planning for local economic development (LED) there is increased discussion about the existence of a growing degree of “convergence” in policy prescriptions across both developed and developing countries. Although the context for LED policy in the South is viewed as different from that prevailing in the developed North, recent international research on LED planning points to “a considerable convergence of policy prescriptions among the developed nations and, increasingly among developing nations as well”. Indeed, the mainstream convergence is upon a set of “neo-liberal” development prescriptions. The trend towards a convergence is to be explained by the fact that LED planning worldwide now requires the preparation of policy frameworks that recognise the
major economic and social trends that affect local economies, including globalisation, the internationalisation of trade and commerce as well as shifting employment dynamics. Illustratively, it is observed that the latest policy trends of LED in the South cannot be exclusively local but must take into account the position and the positioning of territorial production systems within a local-global context.

Internationally, the scope of mainstream interventions surrounding urban-based LED has been delineated as centred on several common themes. Overall, the four leading edges of urban LED interventions are seen as concerning the promotion of the competitiveness of localities, particularly through the attraction of inward investment, the enhancement of growth through implementing property-led city improvements, supporting ‘job creation from the inside’ in terms of business retention or assisting small enterprise development (SME) and finally, supporting a range of community development initiatives, including community enterprises or cooperatives. Taken together these four forms of LED interventions represent the major areas of ‘neo-liberal’ policy convergence concerning planning for LED in urban areas.

Looked at a micro level of analysis the extent of this proclaimed convergence in LED planning might be questioned, particularly as concerning issues of poverty alleviation. Although the need to address issues of poverty alleviation is often alluded to within LED planning for cities in North America or Western Europe, especially in relation to cases of economic regeneration and of targeted area improvements, across the developed world it is rare for anti-poverty measures to be the prime defining axis in LED planning. By contrast, in the developing world, the extent, depth and growth of poverty in cities inevitably forces questions of poverty alleviation much higher onto the LED policy agenda. Several researchers draw attention to a variety of municipal approaches towards addressing poverty alleviation which must be viewed as incipient elements of LED planning in developing world cities. Overall, it is becoming apparent that, across urban areas of the developing world, there is growing recognition of the imperative for evolving a participatory focus in LED planning. This marked trend towards an explicit participatory focus is now precipitating an element of policy divergence in the international context of LED planning and the increased distinctiveness of LED planning in the urban developing world. Put simply, in a growing number of cases in the developing world, it is evident that the emphasis in LED planning is more weighted towards incorporating participatory LED interventions than ordinarily is the case in the developed world.
Against this wider backdrop of debates concerning LED policy convergence, this paper examines the directions of participatory LED interventions in the urban developing world. More specifically, the focus is upon LED planning which aims to redress urban poverty in Africa. The analysis is structured in terms of three uneven sections of analysis. In the first section, debates are reviewed concerning LED and urban poverty and of the growth of participatory LED interventions. This leads into the second section in which the distinctive participatory framework for LED is traced. In the third section the focus narrows to the example of selected African Countries. It is shown that LED planning acknowledges the importance of sectoral targeting for LED support which aims at enhancing growth and competitiveness of certain sectors in the urban economy. It is contended here that the approach of sectoral targeting can be applied equally to enhance the objectives for a participatory LED planning in the developing world. In the final analysis, this argument is extended through examining the potential offered by three different economic sectors in which targeted LED support by authorities might yield a high impact in terms of poverty alleviation. The selected sectors are those of (1) urban agriculture as an example of support for the informal economy; (2) water and sanitation; and, (3) the eco-tourism economy.

Towards Participatory LED: International Debates

In this section, the aim is twofold. First, is to locate participatory LED interventions as part of a wider range of LED interventions that have been recognised in international research on LED. The second task is to introduce the theme of participatory LED and range of municipal interventions that have been highlighted in international writings.

From Pro-Growth to Participatory LED

Across the international experience, the range of LED initiatives and responses in cities can take a combination of many forms. Different authors apply different terminology to describe the variety of forms of LED interventions. Nevertheless, there exists a spectrum of LED interventions ranges from those which are seen as market-led or pro-growth on the one hand to those which are market-critical or participatory on the other hand. The market-led approach of business development aims to enable local economies to adjust more successfully to macro-economic reforms and emphasises the goals of promoting individual self-reliance, entrepreneurship, expansion of the market, competitiveness, reduction of unemployment and sustainable growth. By contrast, the market-critical approach of community development
represents a bottom-up approach geared to goals of achieving local self-reliance, empowerment, participation, local cooperation, and environmental sustainability.

Three important international works can be used to extend the understanding of this spectrum of LED interventions. First, based upon an extended analysis of LED interventions in North American cities, the work of Clarke and Gaile (1998) defines several broad policy categories of LED intervention, which exemplify the market-led approach towards LED in cities.

**BOX 1 FIVE MAJOR CATEGORIES OF LED INTERVENTION**

- **locational** - general tax incentives, enterprise zones, industrial parks,
- **pro-globalization** - sister cities programmes, export promotion, foreign trade zones, attracting international direct investment,
- **general entrepreneurial** - venture capital provision, targeted tax incentives,
- **entrepreneurial mercantile** - business incubators, equity participation, local development corporations and
- **human capital** - employment training, human capital initiatives.

*Source: Clarke and Gaile (1998)*

Notably absent from this North American derived scheme of LED interventions is any category of poverty-focussed LED interventions.

In a second further categorization, the World Bank (2001, 2002a, 2002b) suggests the following ten issues as representative of the most important and frequent sets of LED interventions (see Box 2):

Across urban areas, the World Bank interprets the role of such LED initiatives as important dimensions of so-called “city development strategies”. The notion of city development strategies represents one of the prime foundations of the World Bank’s new global urban and
local government strategy. The approach involves the building of broad coalitions of local stakeholders and development partners, both national and international, to work together in order to design a strategy for a particular urban area that reflects a broadly shared understanding of the locality’s socio-economic structure, constraints and prospects and a shared or holistic vision of goals, priorities and requirements. It is suggested that the city development strategy in combination with LED contribute to sustainable cities by assisting local governments to pursue good practices in building environments that are liveable, competitive, well-governed or managed and bankable, in terms of being financially sound. According to the Bank’s urban and local government strategy the sustainable development of communities or localities is based on the “concept that economic vitality, social equity, environmental quality and sustainable urban finance are goals collectively integral” for the creation of sustainable cities. The attainment of all four of these goals is viewed as contingent upon “responsible and successful local economic development action” (World Bank, 2001, p. 10). The ten areas for LED intervention that are identified by the World Bank must be viewed as spanning a spectrum of interventions from market-led or pro-business on the one hand to market-critical or participatory LED on the other hand.

Finally, another useful definition of the scope of LED policy interventions is offered in the works of Helmsing (2001a, 2001b, 2001c). Within the international literature on LED, the

<table>
<thead>
<tr>
<th>Box 2: Categorisation of LED Interventions</th>
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<tr>
<td>ensuring that the local investment climate is functional for local enterprises</td>
</tr>
<tr>
<td>supporting small and medium sized enterprises</td>
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<tr>
<td>encouraging new enterprises</td>
</tr>
<tr>
<td>attracting inward investment</td>
</tr>
<tr>
<td>investing in physical (hard) infrastructure by improving the built environment (roads, sewerage, airports) for businesses</td>
</tr>
<tr>
<td>investing in soft infrastructure including human resource development, institutional support and regulatory issues</td>
</tr>
<tr>
<td>supporting the growth of business clusters</td>
</tr>
<tr>
<td>targeting particular geographical areas for regeneration or growth (i.e. area or spatial targeting)</td>
</tr>
<tr>
<td>supporting survivalist, primarily informal sector enterprise</td>
</tr>
<tr>
<td>targeting certain disadvantaged groups.</td>
</tr>
</tbody>
</table>

Source: World Bank 2002
writings of Helmsing are distinctive for they are rooted upon an extensive analysis of LED practice in Africa, Asia and Latin America rather than upon the developed North.

Based upon the record of LED in the South, Helmsing (2001) draws a distinction between three main forms or categories of LED initiatives. First, are a set of actions that might be broadly described as community-based economic development. In the activities of community-based development the main focus “is to facilitate household diversification of economic activity as the principal way to improve livelihood and reduce poverty and vulnerability” (Helmsing, 2001, p. 8). For example, much support for survivalist or home-based informal enterprise would fall into this type of LED intervention. Second, are a group of initiatives that surround business or enterprise development. Within this broad category are encompassed a suite of initiatives that would directly target support at either individual enterprises or at enterprise clusters. It is emphasized that “in contrast to community economic development, this category is premised on specialisation and overcoming obstacles towards specialisation in a market context” (Helmsing, 2001a, p. 8). Enterprise development would focus upon enhancing the trajectory for growth amongst small, medium and large enterprises. This support could be to individual small enterprises but more generally would build upon the need for collective support of enterprises in the form of clusters. The third category relates to what is described as locality development. The concept of locality development is viewed as complementary to both the first two categories of interventions and refers to the overall planning and management of economic and physical development of localities. Indeed, the concept of locality development is primarily interpreted as about the planning and realisation of infrastructures and of relevant economic and social capital (Helmsing, 2001c, p. 10).

Overall, it is clear that participatory LED is not highlighted in North American based studies. In addition, whilst the role of LED in poverty alleviation is given due acknowledgement in the influential World Bank analyses, it is not a theme which is placed at the center of LED planning. By contrast, in works which focus squarely on the developmental problems of the South, the direct contribution that localities and local governments can make to poverty alleviation is given considerable direct focus.

Participatory LED in Cities
The international experience shows that local authorities can play a pivotal LED role through stimulating initiatives for poverty alleviation. The potential significance of such ‘meso-scale’ anti-poverty approaches is based upon, inter alia, municipal level responsibilities for the
provision and coordination of local services, for the facilitation of community poverty initiatives, for the issuance of building permits, and for local licensing of commercial and transport activities. It is argued that municipalities are strategically well-placed to undertake local long-term planning in the area of poverty alleviation particularly in association with the private sector, NGOs and CBOs (Pieterse, 2000). Moreover, it is a function of local governments to generate and manage local projects whose aim is to address inequalities between citizens as well as mediating the public good through ‘good governance’ (Matovu, 2002).

Several broad intervention areas are identified in terms of LED initiatives for poverty alleviation. More especially, key areas of municipal policy intervention are identified as relating to (1) regulatory frameworks, (2) access to municipal services, and (3) employment creation. The prime thrust of these policy interventions has been to augment the asset base of the urban poor or to enhance their capacity to manage their existing asset base. First, it is recognized that the regulatory framework that shapes the lives of the poor is established by both central and local governments and is designed to apply nationally and locally. Essentially, the regulatory framework sets the parameters for development in general but more specifically for the municipal environment. The regulatory framework comprises a wide sweep of laws, including local government laws, ordinances, legislation and regulations related to town planning, public health, building and land development (Vanderschueren et al, 1996). The development of a regulatory environment that supports the livelihoods of poor communities is an important LED initiative. In particular, access to land for housing is critical and most urban governments exert a strong influence on which groups in the city can obtain land for housing both through what they do in terms of regulation and what they do not do. Indeed, there is an important link between access to housing and livelihoods as regards providing ready access to income-earning opportunities and servicing as a space for home-based income opportunities (Kellett and Tipple, 2000).

Second, improving the delivery of infrastructural services to poor communities is a critical LED role in support of poverty alleviation. Indeed, a major step forward towards expanding the asset base of the urban poor is to enhance their limited access to the full range of municipal services, which would generally include water supply, sanitation, refuse removal, drainage, flood protection, local roads, public transport, street lighting and traffic management. The limited access of the poor to such services is often aggravated by a
tendency for design and service standards to be unaffordable or not planned for to allow incremental upgrading as poor communities improve and expand their willingness to pay for services. Third, it is critical to appreciate that for the urban poor, their greatest asset is their capacity for labour (Moser, 1996). Accordingly, municipal actions towards employment creation represent important options for poverty alleviation. Indeed, it is stressed that employment generation as the means for alleviating urban poverty historically has been one of the major strategies for alleviating poverty in the urban developing world (Moser, 1996). A range of local government interventions in the developing world experience can facilitate job creation and assistance to poor communities. At one level this would encompass the capacity of municipal governments and actions implemented to attract new investment, retain existing investors and support the expansion of existing formal enterprises. Another dimension would be municipal interventions that favour more participatory economic policies that expand employment opportunities or increased incomes for poorer groups. Key areas for policy consideration relate to the activities of the survivalist informal economy, including street traders, a range of home-based enterprises, and of urban agriculture. In particular, the introduction of ‘accommodative programmes’ towards the informal economy by municipal governments allows scope for low-income groups to develop or pursue their own livelihoods through informal enterprise. Another participatory tilt in municipal policies includes direct support offered for the expansion of labour-based public employment and for community-based enterprises.

**Participatory LED in Urban South Africa**

The above discussion of the participatory agenda for LED interventions in cities, drawn from the developing world record, can be enriched by turning to the specific South African urban experience. As mentioned earlier, in the context of the developing world South African LED interventions are often seen as innovative, not least concerning the emphasis that is accorded to the development of participatory LED.

In urban South Africa a variety of LED interventions have been introduced over the last two decades. The earliest LED interventions pioneered in cities such as Cape Town, Johannesburg and Durban during the late 1980s and early 1990s essentially were pro-growth and of the form that was described as market-led approaches. Major emphasis was placed upon the attraction of external investment through a range of LED interventions that centered on place marketing, property-led regeneration and the development of ‘hard’ infrastructure. This first wave of LED
has been augmented later by a second wave of LED interventions across South African cities which have focused more on issues of business retention and on support for local business enterprise, including small business. Of significance is the fact that these initial forms of LED in South Africa were introduced and led at the *local* level.

Since 1994, however, there has been a coordinated effort to diffuse more widely the practices of LED in South Africa through the formulation of a national framework for supporting LED. As the impetus for driving LED shifted to the level of national government, there has occurred also a notable change in the priorities for LED interventions. At the heart of developing a national framework for LED has been the activities of the national Department of Provincial and Local Government which is the lead national department with the mandate for LED policy formulation. Through the frameworks that have been evolved by DPLG there has been a marked shift progressively towards adoption of a more participatory focus in South African LED interventions as a whole.

An increasing number of LED policy interventions have been introduced since 1994 which have sought to address rising levels of urban poverty in South Africa. The essential form of these poverty-focussed interventions follows closely the international emphasis upon strengthening the asset base of disadvantaged or poor communities. In strengthening the asset base of poor communities through LED measures, a number of important broad intervention areas are identified (Rogerson, 1999, 2000a). Three critical policy areas in urban South Africa thus have surrounded the improvement of regulatory frameworks, the major extension of municipal services and infrastructure delivery, and issues of employment creation or more correctly livelihood support through more conciliatory approaches towards the informal sector and home-based economic activities in cities. Of more recent application is the implementation of affirmative systems of public procurement as a means to support emergent SMMEs, particularly in terms of urban infrastructure delivery programmes (Watermeyer, 2000). The essential policy direction has been towards the greater adoption and implementation in cities of elements of what were described as “community based economic development programmes” as a supplement to the existing foci on business or enterprise development.

The current South African understanding of “what is LED” is linked to the overarching concept of developmental local government (South Africa, 1998) and of the national government's interpretation of LED as an outcome based on local initiative and driven by local stakeholders.
“to stimulate economic growth and development” (DPLG, 2000a, p. 1). More specifically, the process whereby local initiative combines skills, resources and ideas aims “to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents” (DPLG, 2000a, p. 1). In the draft LED policy paper issued in 2000 a series of interlocking challenges that confront localities were defined as constituting the base for LED, *inter alia*,

- to balance local economic strategies so they achieve both increased competitiveness – sometimes through economic transformation – and poverty alleviation and job creation;
- to address enormous pent-up demand for service delivery, particularly where services have not reached vulnerable members of society, as well as severe affordability constraints;
- to engage in more open, transparent and mutually respectful state-society relations; and
- to forge new and reformed inter-governmental relationships (DPLG, 2000b, p. 1).

From the above, it is clear that the official conception of LED in South Africa accommodates elements of what in the international literature were referred to as market-led and market-critical approaches towards LED. Although the existing LED planning has been dominated by LED activities geared to achieving high growth rates, the current draft for a national policy framework stresses that the South African priority for LED is to be founded on a participatory basis. Indeed, it is stated in the latest (draft) South African policy document1 (South Africa, 2002) that LED activities should be rooted most firmly upon the developmental and participatory responsibilities that have been given to municipalities (Bond, 2001, 2002). This framework document rejects “orthodox” LED approaches, such as the attraction of external investment or property-led growth, which it views as both reflecting “corporate-dominated power relations, but in part also reflects the failure of some municipal officials to give more attention to sustainable development” (Bond, 2002, p. 6). Rather, the document projects a ‘bottom-up’ approach to LED which is viewed as both challenging ‘the Washington Consensus’ and offers instead a community-based approach associated “with a new, more sustainable paradigm”. At the core of this new sustainable paradigm is stressed the importance of local government working with low-income communities and their organisations. Overall, the approach “explicitly aims to link profitable growth and redistributive development” (Bond, 2002, p. 5). It is stated that there are at least six “developmental” LED strategies which should be supported, namely community-based economic development; linkage; human capital development; infrastructure

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1 As the policy document has still not been formally approved by Cabinet, no reference here is made directly to the contents of the document and no direct citation from that document is undertaken.
and municipal services; leak plugging in the local economy; and retaining and expanding local economic activity.

Although this listing represents a selection of certain elements of so-termed second wave LED (eg business retention and local business development) as well as endorsing several aspects of third wave LED (such as human capital), the document is distinctive for its argument that LED should be “refocused on the poor”. Indeed, the participatory focus of the whole policy paper with its anchor upon infrastructure-provision in poor communities marks a significant turning away from the international policy mainstream. The report argues an economic rationale for a programme of municipal community services-based LED, geared to expanding access to infrastructure and services, alongside the benefits for “greater gender equality, improved public health, lower levels of racial segregation, and improved social capital”(Bond, 2002, p. 14). For example, it is estimated that one new small business can be created for every ten electricity connections that are made (Bond, 2002, p. 16). To achieve local economic benefits from municipal services provision and infrastructure investment requires, however, “close attention to the ongoing subsidies that will permit the systems to operate” (Bond, 2002, p. 16). It is argued that “the best administrative system for this would be a free lifeline amount provided through metered taps and metered electricity hookups, with technical systems to reduce the amount to be consumed to the lifeline minimum in the event of non-payment on amounts higher than that minimum” (Bond, 2002, p.16). Overall, this participatory focussed LED policy document substantially challenges conventional LED programming. Instead, it asserts a commitment to and embrace of a “Stiglitz-style ‘Post-Washington Consensus’” that focuses on sustainable local economic development.

**Participatory LED in Zimbabwe**

Like South Africa Zimbabwe inherited an unjust and undemocratic local governance structure from the colonial times. This, coupled with the prevalence of violence and authoritarian rule and leadership during the liberation struggle, made it difficult to set up democratic local governance rapidly in independent Zimbabwe. However, some serious efforts were made to correct the imbalances of the past. To provide a concise overview, this paper will highlight some of the milestones of this protracted road to participatory LED in both the urban and rural areas.

In 1980 the Urban Councils Act was repealed and replaced by the Urban Councils Act (1980), which included former African Townships into mainstream municipal affairs, giving the
voting franchise in local elections to lodgers. The District Councils Act repealed the previous African Councils Act to bring together the fragmented and financially incapacitated 240 African Councils into 55 larger and more viable District Councils for the communal areas. Although these lacked the autonomy and resources of the 57 Rural Councils, which served commercial farming areas, they were given a wide range of powers and brought under the Ministry of Local Government.

In 1984 there was the Prime Minister’s Directive which outlined decentralised coordinating development structures from village to provincial level, leading to the establishment of 6000 Village Development Committees (VIDCOs) and 1000 Ward Development Committees (WADCOs) with elected members. These structures were formalised by the Provincial Councils and Administrative Act (1985)

The Existing Local Governance Structure in Zimbabwe show that a number of institutions exist at lower tiers of government especially from provincial to district level. It is important to note that urban councils are divided into wards but there are no legal structures at this level. Party politics has had a great influence on local governance in Zimbabwe. The domination of party politics is one of the main factors hindering citizen participation in local governance. Voter apathy is prevalent in council elections as residents cite unfulfilled promises, lack of meaningful choices, lack of economic democracy and dispair at the widespread abuse of power as the reasons for not participating in elections.
Civil society organisations (CSOs) are involved in working in areas under local authorities. Their activities have to a large extent contributed immensely to strengthening community participation in local governance. Although CSOs are capable of providing community level services, they are not usually accountable to the communities they serve and their ability to co-ordinate is not yet highly developed. Quite a number of weaknesses exist in the current local governance structures.

The relationship between the different institutions and levels of local governance is complex and there is not yet a policy to clarify this situation. There is no formal decentralisation of functions to the low level sub-district levels. The roles of the provincial structures lead to confusion as the statutory Provincial Councils are not local government authorities. There is confusion over the role and status of the District Development Committee. Members of Parliament are not represented in the district of provincial structures, so they have a tendency to by-pass or ignore these structures creating confusion and conflict. There exist at local level a conflict and confusion between traditional and elected leaders. At district level, chiefs are not adequately represented. Local governance structures are dominated by party leadership leading to confusion about the relationship of party and local government structures. As a net
result of these weaknesses, the extent and quality of popular participation in local government is low; due to reluctances of local authorities to decentralise their powers to community level, and general lack of public awareness on citizen rights and responsibilities.

**Broadening Participation**

A number of preconditions for broadening participation are highlighted in this paper. It is important to have good decision making systems in place to assist those distributing public resources, be they politicians or public employees. The difficult balance, between investment into sectors leading to wealth creation, or investment directly in poverty reduction, cannot be resolved only through informal dialogues between differing interests. When real money is at stake, there has to be effective decision making and confident leadership, backed by a strong local mandate for action. Otherwise money is likely to be wasted on ill-conceived schemes.

The quality of participative decision making depends on clear communication and lines of accountability, a common understanding of the direction in which to go, transparent rules on how dialogue is concluded and actions begun and relevant and understandable information on which to make decisions.

Participation must build on existing structures. It needs an understandable context. The style of participation must match the expectations and experiences of participants. Participation depends on trust in the processes used. They must be inclusive, easily understood and applied consistently over time. There must be a set of rules for the process, amended and updated each year by representative groups of participants. Participation can only grow if it is seen to make a difference. This means action, not just listening to what participants have to say. They must be able to track where their ideas have gone, and know the reason why if they have not been acted on. Those with power must accept the results. If the local authority does not implement the outcomes, however low the apparent quality of participation, it cannot expect to maintain and build participation in future years. This is where fundamental power shifts towards communities affected by the participatory processes. Participation in community affairs is desirable in itself, as it reduces the social isolation of individuals. Participatory governance typically works with groups and not individual residents. The development of community networks and associations is a key by-product of participatory processes.

Participatory governance is about completing a virtuous circle from democratic renewal, responsive local services and locally directed taxation. Participatory governance differs from traditional ‘consultations’ because it involves a transfer of decision-making power towards
communities, by developing real and high-quality dialogue over public expenditure. Different approaches to participatory governance are used in different places, but in general a certain percentage of the mainstream council budget is given over as an investment fund, commonly called the ‘participatory budget’. New deliberative structures drawn from community groups prepare an annual investment strategy for this money. Their decisions are based on projects proposed and debated locally, combined with a citywide agenda for efficient service delivery.

Local people determine how investment money is spent, but the work itself is undertaken by the council. Participatory Budgeting is not about transferring money from the Local Authority to smaller, more local bodies. Communities are not forced into competing against each other for their share of new money; rather they work together with the Local Authority to agree how to spend limited resources most effectively. If communities are really going to influence the Local Authorities’ spending plans, they need to be heard at the beginning of the planning process, so their views can influence new expenditure.

![Diagram](image)

**FIGURE 2: ENHANCING LOCAL ECONOMIC DEVELOPMENT THROUGH PARTICIPATORY BUDGETING**

Evidence suggests that people are more inclined to get involved if they think that it will make a difference to priorities and to how and where money is spent.
Most Local Authority expenditure will be constrained by existing pressures, such as salaries, service charges, and, most importantly, national targets and statutory requirements. This leaves a small percentage that is the ‘free’ resource of the Local Authority. Some of this money will come from local taxation, some direct from central government, or from charges for services. The normal pattern is that this unclaimed money is spent by a small number of people. Marginalised communities and neighbourhood interests commonly miss out in favour of bureaucratic and political influence, as their voice is largely absent from the debate until near the end of the process.

The diagram below is one way of showing how, through a year, running from top to bottom, a set of dialogues occur between different parties. These come together through the report, issued in the preceding financial year on investments through Participatory Budgeting. This report is primarily the work of the Budget Council, based on rules and criteria established the previous year. After they have produced their report and passed it to the Local Authority (who will hopefully implement the plan as part of its mainstream budget for the following year), the Budget Council re-convenes to evaluate how the process works and propose any changes. At a similar time the Local Authority declares in percentage terms the resources that will be considered by the next annual cycle.

In this way a rhythm of information sharing, meetings, and planning is developed between members of the voluntary and community sector that matches the internal cycles of the Local Authority holding the budget.

**Recommending a Model for Participatory Governance**

The recommended model is based on certain assumptions which are that the relationship between semi-autonomous local authorities and other structures of local governance are clearly spelt out and coordinated; that co-ordination between central and local government takes place at provincial level, through improved provincial structures; that there is a clear separation of party structures and local governance structures; that local authorities decentralise powers to sub-district levels to promote maximum participation of residents in local governance and that there is increased public awareness, through civic education, of citizens’ rights and responsibilities particularly in selecting candidates carefully and monitoring the performance of councillors.
Towards Best Practices in Participatory Governance

The Global Campaign on Urban Governance proposes that good urban governance is characterized by sustainability, subsidiary, equity, efficiency, transparency and accountability, civic engagement and citizenship security, and that these norms are interdependent and mutually reinforcing. These proposed norms are introduced below and include a range of illustrative operational principles for their implementation:

**Sustainability in all dimensions of urban development**
Cities must balance the social, economic and environmental needs of present and future generations. This should include a clear commitment to urban poverty reduction. Leaders of all sections of urban society must have a long-term, strategic vision of sustainable human development and the ability to reconcile divergent interests for the common good.
Practical means of realizing this norm include, inter alia, Undertaking consultations with stakeholders within communities to agree on a broad-based, mission-statement and long-term strategic vision for the city, using tools such as city development strategies; Engaging in consultative processes such as environmental planning and management (EPM) or Local Agenda 21s, that are geared to reach agreement on acceptable levels of resource use, applying the precautionary principle in situations where human activity may adversely affect the well-being of present and/or future generations; Integrating urban poverty reduction strategies into local development planning; Increase green cover and preserve historical and cultural heritage; Ensuring financial viability by promoting economic activity through the participation of all citizens in the economic life of the city; Promote the transfer of appropriate technologies.

Subsidiary of authority and resources to the closest appropriate level
Responsibility for service provision should be allocated on the basis of the principle of subsidiarity, that is, at the closest appropriate level consistent with efficient and cost-effective delivery of services. This will maximize the potential for inclusion of the citizenry in the process of urban governance. Decentralization and local democracy should improve the responsiveness of policies and initiatives to the priorities and needs of citizens. Cities should be empowered with sufficient resources and autonomy to meet their responsibilities.

Practical means of realizing this norm include, inter alia, developing clear constitutional frameworks for assigning and delegating responsibilities and commensurate powers and resources from the national to the city level and/or from the city level to the neighbourhood level; adopt local legislation to translate constitutional amendments in support of subsidiarity into practical means to empower civil society to participate effectively in city affairs and which promote the responsiveness of local authorities to their communities; creating transparent and predictable intergovernmental fiscal transfers and central government support for the development of administrative, technical and managerial capacities at the city level; protecting financially weaker local authorities through systems of vertical and horizontal financial equalisation agreed to in full consultation with local authorities and all stakeholders; and promoting decentralized cooperation and peer-to-peer learning.
Equity of access to decision-making processes and the basic necessities of life

The sharing of power leads to equity in the access to and use of resources. Women and men must participate as equals in all decision-making, priority-setting and resource allocation processes. Inclusive cities provide everyone – be it the poor, the young or older persons, religious or ethnic minorities or the handicapped -- with equitable access to nutrition, education, employment and livelihood, health care, shelter, safe drinking water, sanitation and other basic services.

Practical means of realizing this include, inter alia, ensuring that women and men have equal access to decision-making processes, resources and basic services and that this access is measured through gender disaggregated data; establish quotas for women representatives in local authorities and encourage their promotion to higher management positions within municipalities; ensure bye-laws and economic development policies support the informal sector; promote equal inheritance rights for land and property; establishing equitable principles for prioritizing infrastructure development and pricing urban services; removing unnecessary barriers to secure tenure and to the supply of finance and creating fair and predictable regulatory frameworks.

Efficiency in the delivery of public services and in promoting local economic development

Cities must be financially sound and cost-effective in their management of revenue sources and expenditures, the administration and delivery of services, and in creating an enabling environment, based on comparative advantage, of government, the private sector and communities to contribute formally or informally to the urban economy. A key element in achieving efficiency is to recognize and enable the specific contribution of women to the urban economy.

Practical means of realizing this include, inter alia, delivery and regulation of public services through partnerships with the private and civil society sectors; promote equitable user-pay principles for municipal services and infrastructure; encourage municipal departments to find innovative means of delivering public goods and services through management contracts; promote integrated, inter-sectoral planning and management; improving the effectiveness and efficiency of local revenue collection; removing unnecessary barriers to secure tenure and to the supply of finance; developing and implementing fair and predictable legal and regulatory frameworks that encourage commerce and investment, minimize transaction costs, and
legitimize the informal sector; and adopting clear objectives and targets for the provision of public services, which maximise the contributions all sectors of society can make to urban economic development; encourage volunteerism.

Transparency and Accountability of decision-makers and all stakeholders

The accountability of local authorities to their citizens is a fundamental tenet of good governance. Similarly, there must be no place for corruption in cities. Corruption can undermine local government credibility and can deepen urban poverty. Transparency and accountability are essential to stakeholder understanding of local government and to who is benefiting from decisions and actions. Access to information is fundamental to this understanding and to good governance. Laws and public policies should be applied in a transparent and predictable manner. Elected and appointed officials and other civil servant leaders need to set an example of high standards of professional and personal integrity. Citizen participation is a key element in promoting transparency and accountability.

Practical means of realizing this include, inter alia; regular, organized and open consultations of citizens on city financial matters and other important issues, through such mechanisms as the participatory budget; transparent tendering and procurement procedures and the use of integrity pacts and monitoring mechanisms in the process; internal independent audit capacity and annual external audit reports that are publicly disseminated and debated; regular, independently executed programmes to test public officials integrity response; removing administrative and procedural incentives for corruption, including simplifying local taxation systems and the reduction of administrative discretion in permit processing; promoting an ethic of service to the public among officials while putting into place adequate remuneration for public servants; establishing codes of conduct and provision for regular disclosure of assets of public officials and elected representatives; developing practically enforceable standards of accountability and service delivery, such as ISO, that will transcend the terms of public office holders; creating public feedback mechanisms such as an ombudsman, hotlines, complaint offices and procedures, citizen report cards and procedures for public petitioning and/or public interest litigation; promoting the public’s right of access to city information; providing access to city information to create a level playing field for potential investors.
Civic Engagement and Citizenship

People are the principal wealth of cities; they are both the object and the means of sustainable human development. Civic engagement implies that living together is not a passive exercise: in cities, people must actively contribute to the common good. Citizens, especially women, must be empowered to participate effectively in decision-making processes. The civic capital of the poor must be recognized and supported.

Practical means of realizing this include, inter alia, promoting strong local democracies through free and fair municipal elections and participatory decision-making processes; establishing the legal authority for civil society to participate effectively through such mechanisms as development councils and neighbourhood advisory committees; promoting an ethic of civic responsibility among citizens through such mechanisms as “City Watch” groups; Making use of mechanisms such as public hearings and surveys, town hall meetings, citizen’s forums, city consultations and participatory strategy development, including issue-specific working groups; and undertaking city referenda concerning important urban development options.

Security of individuals and their living environment

Every individual has the inalienable right to life, liberty and the security of person. Insecurity has a disproportionate impact in further marginalising poor communities. Cities must strive to avoid human conflicts and natural disasters by involving all stakeholders in crime and conflict prevention and disaster preparedness. Security also implies freedom from persecution, forced evictions and provides for security of tenure. Cities should also work with social mediation and conflict reduction agencies and encourage the cooperation between enforcement agencies and other social service providers (health, education and housing).

Practical means of realizing this include, inter alia, creating a culture of peace and encouraging tolerance of diversity, through public awareness campaigns; promoting security of tenure, recognizing a variety of forms of legal tenure and providing counseling and mediation for people at risk of forced evictions; promoting security of livelihoods, particularly for the urban poor, through appropriate legislation and access to employment, credit, education and training; implementing environmental planning and management methodologies based on stakeholder involvement; creating safety and security through consultative processes based on rule of law, solidarity and prevention, and supporting
appropriate indigenous institutions that promote security; address the specific needs of vulnerable groups such as women and youth through women’s safety audits and youth training programmes; developing metropolitan-wide systems of policing as a means of realizing more inclusive cities; raising awareness about the risk of disasters and formulating local emergency management plans, based on reduction of risk, readiness, response and recovery, for natural and human-made disasters and, where necessary, relocating residents of disaster-prone areas; integrating emergency management among municipal departments and with national plans; and formulating strategies and action plans addressing all forms of abuse against the person, especially abuse against women, children and the family.

**SUMMARY AND CONCLUSION**

This paper represents an initial exercise at conceptualising an alternative approach towards developing a participatory LED strategy to that which has been set forth in the existing national LED policy framework.
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