The Legacy of Habitat II: Issues of Governance

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Debate on how the Habitat II Conference in Istanbul influenced thinking on issues of urban governance will have to be preceded by some understanding of what was sought and what was achieved at the conference. The Istanbul conference was an international "happening" that began with a series of events before and during the conference itself. Habitat II adopted a Global Plan of Action (GPA) and an Istanbul Declaration (ID) as the official documents of the conference, summarizing the discussions and the outcomes. This paper is limited to the discussions and recommendations of the GPA on the issues of urban governance, which are gathered mainly in its part D, under the title "Capacity Building and Institutional Development." To what extent does this chapter reflect an understanding of the realities of urban governance? What is the assessment of the new challenges in this regard, in the context of major political, economic, and social shifts across the world in the wake of increased globalization of trade, investment, and information?

THE LEGACY OF HABITAT II: ISSUES OF GOVERNANCE

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Debate on how the Habitat II Conference in Istanbul influenced thinking on issues of urban governance will have to be preceded by some understanding of what was sought and what was achieved at the conference. The Istanbul conference was an international "happening" that began with a series of events before and during the conference itself. At the Annual Environment Conference held at the World Bank in September 1994, Waly N'Dow mentioned how important it was for "kinsmen to meet." The kinsmen came to Istanbul, in large numbers—there were three thousand government delegates, about twenty-four hundred representatives of non-governmental organizations (NGOs), about six hundred local authorities, and others. Apart from the official intergovernmental meet, Habitat II included dialogues, colloquia, and other meetings of specialists and non-specialists. A parallel NGO forum, claiming over a thousand meetings and events of its own, attracted another eight thousand representatives with nearly one-third of the participants from Turkey. That the "kinsmen" responded to the invitation in such large numbers and also survived the meeting was itself a major accomplishment.

Habitat II adopted a Global Plan of Action (GPA) and an Istanbul Declaration (ID) as the official documents of the conference, summarizing the discussions and the outcomes. For all the several nightlong negotiations, the GPA did not set the Bosporus on fire. With 238 closely worded paragraphs, it is certainly one of the more compendious documents to have been processed through a conference of this type. Unfortunately, from the beginning and throughout the Habitat II preparatory process attempts to be selective and to focus on critical issues did not succeed. The GPA's impact will, therefore, have to be gauged from its breadth rather than for its brevity, from its usefulness as a compendium of reference points for present and future thinking rather than for any forthright recommendations on priorities.

This paper is limited to the discussions and recommendations of the GPA on the issues of urban governance, which are gathered mainly in its part D, under the title "Capacity Building and Institutional Development." To what extent does this chapter reflect an understanding of the realities of urban governance? What is the assessment of the new challenges in this regard, in the context of the major political, economic,

and social shifts across the world and in the wake of increasing globalization of trade, investment, and information?

It is important to be clear at the outset that although several years before Istanbul the conference was heralded as a "Cities Summit," this did not turn out to be so. There were only a few heads of state or government present. As for substance, although "urbanizing world" was accepted as one of the two main planks of the conference, housing and shelter issues, in which the UN Conference on Human Settlements (UNCHS) had built up some knowledge and competence through the Global Shelter Strategy exercises, turned out to be the more prominent, more contentious, and more cogent part of the GPA as well as the conference deliberations.

The closest that Habitat II came to an agenda for the cities was the significant change made in the rules of attendance to permit NGOs as well as local authority representatives to participate in its deliberations. However, the flags that flew at the meeting were national and not local, and, although there was a sprinkling of mayors at the podium of most meetings, the substance and style of the GPA was still what the diplomats—who are the professional negotiators and wordsmiths at intergovernmental meetings—were comfortable with. For example, the World Assembly of Cities and Local Authorities met at Istanbul a few days prior to the main conference and adopted a declaration whose focus was clearly urban, yet the Istanbul Declaration on Human Settlements, as the official outcome of the main conference, buried much of what the Assembly of Cities had to say in its human settlements' terminology.

The term "human settlements" had been coined at Vancouver to recognize the so-called rural-urban continuum. However, since the inception of the United Nations Conference on Human Settlements (UNCHS), most governments have had problems dealing with this terminology. A few, such as Mexico

and the Philippines, went along with the overarching philosophy of the term. For several years during the Marcos regime, the Philippines had a separate Ministry of Human Settlements; it was later replaced by a Housing and Urban Development Coordinating Council. In Mexico the Secretaria de Asantamientos Humanas y Obras Públicas (SAHOP) adopted the phrase "human settlements" but combined it with "public works." For most governments, the UNCHS mandate related mainly to housing; in many countries the nodal ministries dealing with the UNCHS are ministries of construction, as in China, works and housing, as in India, HUD, as in the United States, or urban, as in Brazil. The UNCHS itself came to acquire some competence and expertise in dealing with the urban agenda but it could never openly declare its allegiance for fear of alienating the development bureaucracies in most countries, since any emphasis on the urban was regarded as anti-rural. In the twenty years between Habitat I and Habitat II, none of the Commission meetings dealt in detail with any urban set of issues, except in an indirect and convoluted manner through land reforms, slums, poverty, and so on. Although much of the UNCHS technical cooperation, research, and other activities did relate to urban problems—including the Urban Management Program, of which the UNCHS has been the main executing agency—it still had to subsume urban issues in the so-called human settlements philosophy.

Few member governments are votaries of this philosophy. In most countries urban is regarded as the concern of the municipalities and the municipalities themselves are seen as creatures of national and provincial governments. They have not been an important part of the national bureaucracies that deal with the UNCHS. Within many countries urban issues have continued to be neglected because national governments are structured along sectoral lines. The UNCHS has not been of much help in promoting intersectoral attention to urban areas. Between nations, the human settlements concept has not really caught on as a platform of international attention; that plank has not brought to the UNCHS recognition or political clout.

Yet, when inaugurating the meeting of the Preparatory Committee (PREPCOM) in Geneva, about two years before Istanbul, the UN Secretary General opened a valuable window of opportunity by christening the forthcoming conference a "Cities Summit." However, some member governments were not happy with this focus on cities and, as the signs of doubt persisted, the UNCHS appeared to give up on advocacy for cities and urban issues as the centerpiece of the conference. Thereafter the PREPCOM and GPA preparations reverted to the vague and comfortable format of "human settlements."

Inevitably the GPA that emerged from Istanbul was couched in the same language. Although strategies for coping with an increasingly urban world were kept alive in the various PREPCOM meetings, at Istanbul the discussion on the serious problems of the cities and the recommendations made in the GPA were not as clear and forthright as required. For a better understanding of their implications and value, these recommendations could be conveniently grouped as follows: decentralization, popular participation and civic engagement, urban economy and privatization, urban planning, urban environment, and metropolitan management.

Decentralization

The Istanbul conference has not been the only forum at which decentralization has been held up as an end itself and equated with democratization. Unfortunately the debate as well as the Action Plan largely ignore the tensions that are inevitable in the process of decentralization and that have already surfaced in countries among the central, provincial, and local governments. In rapid urbanization, where traditional municipal boundaries are overrun and the distinction between the municipal urban and non-municipal urban is blurred, it is not at all easy to delineate the functional domains of different levels of government. In particular large cities require continued investment and the consistent involvement of many levels of government. Bombay or Bangkok, Cairo or São Paulo, London or Los Angeles cannot be regarded as just municipal entities. Most "million-plus" cities in the world are in fact intergovernmental cities. Whatever the initial delineation of functions among different levels of government, the allocation of tasks and the distribution of resources will need frequent adjustments and intergovernmental collaboration. A blanket approach to decentralization may well inhibit the aggregation needed for perception and action at metropolitan levels; it also does not facilitate the complex adjustments of political power needed at different levels.

Fiscal management is another area of tension and conflict in the process of decentralization. National and local governments will not share the same degree of enthusiasm for the assignment of revenues or the devolution of resources. Expenditure control and the impact of revenue sharing on fiscal management is an area of continuing concern for central governments. Experience from the Philippines, one of the few countries in Asia to have gone through a comprehensive decentralization program and the enactment of a local government code, indicates that substantial devolution of central revenues has not helped to mobilize local resources; on the contrary local authorities have scaled down their own taxation efforts. Loss of patronage and political control are contentious aspects of decentralization. India has recently amended its Constitution to enable urban and rural local bodies to function as virtually a third tier of government, but both central and state governments have been slow and reluctant to vest powers and responsibilities in the local authorities. Given these realities, instead of being more selective and specific, GPA's recommendations in regard to decentralization appear to be a series of exhortations.

Popular Participation and
Civic Engagement

This section ran into some trouble at Istanbul. The draft had viewed "good governance" as both a requirement and an outcome of participation in civic management. However, during the discussions, the conventional perception prevailed of governance as mainly the concern of the governments, and references to the phrase were omitted. This itself is an indication

of the gap in thinking between the drafters of the GPA and the government delegates. The concepts of civil society and the building up of social capital as critical requirements of managing urban growth are recent. As yet, they remain espoused only in Western societies, although experiments, varying widely in scale and substance, are being undertaken around the world. In most developing countries, civil society is still an undefined mass. India and the Philippines may be exceptions in Asia, or Mexico, Chile, and Brazil in Latin America, where a variety of organizations outside the government have been active at different levels, addressing a wide range of issues such as poverty, environment, gender, human rights, literacy, health, and so on. But in most Asian countries, the corporate model of the state and society signified by Japan Inc. continues to be an attractive concept. Inspired by that, Korea Inc., Taiwan Inc., Singapore Inc., and Malaysia Inc. are still held forth as the models to be pursued for economic growth, efficiency, and social order. To those struggling to find humane and just alternatives to the "corporate" view of society, the didactic list in the GPA on popular participation and civic engagement would provide little comfort.

Urban Economy and Privatization

The GPA endorsed the stand that the economic viability of cities was critical for national economic performance. There was a strong emphasis on clear allocation of resources and expenditure responsibilities to local governments and full cost recovery for urban services with transparent subsidies.

Although the GPA also shared the recently found enthusiasm for the private provision of infrastructure services as well as public partnerships, it did not contribute any additional wisdom to the debate. Nor did it recognize the limitations to private sector provision of public services, the increasing demand on public authorities to perform an umpiring role, and the need to ensure that citizens are not shortchanged in the private provision of public services. In fact some problems are already surfacing. In many countries in

Asia, the much-heralded private sector involvement in infrastructure provision has slowed down. No more than 10 to 15 percent of the investments promised or announced four to five years ago are coming to closure. According to World Bank estimates, some US$80 billion was invested in infrastructure in East Asia in the mid-1990s. Of this, only $5 billion worth of private sector projects were actually financially closed; two power projects in Indonesia and one in the Philippines accounted for three out of these five. From Beijing to Bombay, governments and investors alike have scaled down their expectations. Most privatization proposals are struck by disputes on everything from tariff to risk, project size to project dates. The realization is coming back that private sector induction is only one of the ways of raising resources. Unfortunately, not a day passes without a scam in some telecom, transport, or other procurement bid hitting the headlines in some city or other, giving further credence to public cynicism and the view that private sector induction is only a boost to corruption. Istanbul did little to build confidence in the privatization process.

Urban Planning

In several places the GPA reaffirms with much passion its faith in planning. Innovative methods of urban planning, environmental and social impact assistance, optimal land uses, strong national and local institutions for the planning and management of land are all proclaimed as essential for strengthening rural-urban linkages, geographically balanced development, and environmental sustainability. Various sectoral prescriptions, such as for water transport or waste management, reinforce the planner's agenda.

Urban Environment

In 1992, the UN held a major conference on the environment and development at which attending leaders signed a declaration committing them to work towards worldwide sustainable development. This declaration was the underpinning for Agenda 21, an action program designed to protect the environment

through monitoring programs, technology transfers, international cooperation and local agenda setting. The UNCHS often claimed (and rightfully so) the mandate for relating Agenda 21 to urban areas and for devising strategies for local action to safeguard the environment. Preparations for Habitat included several workshops organized in collaboration with various partners: for example, the workshops and colloquia on transport in Singapore, water in Beijing, waste management in Geneva, and others. The data presented and analyzed at these events were telling, and it was expected that these preparatory events would help formulate a strategy for Istanbul with the city in center stage and the local authorities as the principal players in moving toward sustainable urban environments. The parallel events held in Istanbul continued to advocate the issues, but the GPA's recommendations remained limited to general principles that could hardly be contested yet could not strengthen member governments, local authorities, or other stakeholders. For instance, wasteful production and consumption patterns were repeatedly cited as major problems in the parallel sectoral events, but the GPA itself did not raise them as issues of international equity. There is an exhortation for a holistic approach in water resources management, but little is said about unsustainable uses, preemption by upstream users, or avoidable uses between rival users. The gap between the formal intergovernmental forum and the parallel events, both in the level of concern and in the willingness to be prescriptive, was apparent in the widely attended water symposiums in Istanbul, which predicted cities and countries running out of water and tomorrow's wars being waged for water. Similarly, the July 1995 seminar in Singapore had clearly highlighted the unsustainability of private motorization for most countries, developing countries in particular, and strongly emphasized priority for public transport. However, the GPA tended to play safe and called for the usual textbook prescriptions of integrating land use and transport, optimum use of private and public modes, and so on.

Metropolitan Management

This section was an "add on" to the GPA at one of the preparatory meetings. It was expected that at least some of the member governments, especially those in Asia and Latin America, where large city growth has been a prominent feature, would engage in substantive discussion on the subject. By and large, the national strategy documents paid little attention to this aspect and the expectation that these would be input into the GPA were largely belied. National plan documents were merely circulated, and a reasonably cogent set of recommendations went through the GPA process more as a matter of passive acceptance than as an active endorsement.

Overall, the GPA's aim was more to reach a consensus than to take a stand. Bringing the local authorities into the forum and enabling their participation in the intergovernmental discussions was certainly a major achievement. However, the GPA by and large failed to perceive the impact of liberalization, structural adjustment, and globalization on these local authorities and the new challenges posed for them. To cite one example, planning physical space and providing access to services is an important instrument of umpiring by a public authority. In most Asian cities, central areas traditionally have been a mixture of land uses and income groups. In Calcutta, for example, ninety out of one hundred municipal wards in the central city have so-called slums. In Manila, Jakarta, and Bangkok, the settlements of the poor have coexisted with those of the rich. During the 1970s, after successfully overcoming the debate as to whether slums constituted a part of housing stock, pioneering initiatives for slum improvement were undertaken. The Tondo foreshore in Manila, the Kampung improvement program in Jakarta, the Basti improvement program in Calcutta, and the Kachi Abadi improvement in Karachi were all

part of this initiative. Much of the current literature on community mobilization and slum improvement as an alternative to dehousing are based on these experiences.

Yet today, as the scramble for space backed by a rapid flow of funds pushes up land prices, the poor are priced out or simply cleared out. Kampungs and slums that were once improved are now being replaced by high rise glass and metal towers for business and luxury housing. The middle class moves to the fringe while the poor are pushed to the outer fringe. The spatial concentration of poverty and of the blight associated with it, which hitherto has been a phenomenon in Western cities, is now an increasing feature in Asian cities as well. While central governments concentrate on the flow of investment, they disengage themselves at the same time from providing the infrastructure and other services necessary to make that investment productive. These pending tasks are then merely passed on to the local governments, which are a poor match for the new challenges.

The various preparatory events for Habitat II did raise these issues, but the GPA itself as the official outcome largely avoided the answers. Although it is typical for international conferences to catalog the issues and indicate rather than influence the thinking needed for solutions, there was an expectation at Istanbul that the participation of local government and NGO representatives would prompt and persuade the conference to be more forthright and prescriptive. Ambassador Kakakhel of Pakistan, who chaired and steered the GPA deliberations, had hoped the conference would provide an historical opportunity for the cities to forge a worldwide strategy. Though the rules of attendance allowed the representatives of national and local governments and NGOs to meet, they did not mingle. The platform that the UNCHS had devised successfully avoided the confrontation between the "official" and the "nonofficial": it was inclusive but not incorporative.

Perhaps Istanbul can count among its few successes that it had brought some visibility to the cities of the world, and showed that issues of urban governance could not be the exclusive concern of national governments. The GPA itself could not have and did not say so but a process appears to have begun whereby mayors and civic groups in increasing numbers are moving to the stage and joining the debate on urban governance. The conference on governance that the United Nations Development Program organized at the UN in July 1997, bringing together four colloquia of ministers, parliamentarians, mayors, and civil society groups, is testimony that the process is on. Perhaps others will follow to help better define the paths for the future, presently shrouded in the legacy of Habitat II.