Improved governance and sustainable urban development Strategic planning holds the key[1]

By Shipra Narang and Lars Reutersward[2]

The recent focus on improved governance in cities has raised some concerns about the role of urban planning. Questions have been raised on whether good governance is a substitute for planning, and if it is adequate in itself to achieve sustainable development. Is there no future, then, for planning in our cities?

In this article, we argue that sustainable development can become a more attainable objective in a market-oriented environment if improved governance can be linked to a strategic planning approach. Public participation in decision-making, accountability, equity and efficiency – all core principles of good urban governance - are also defining characteristics of strategic planning, and hold the key to socially, economically and environmentally sustainable development.

This article uses an example from a UN-HABITAT programme in Kosovo to illustrate the impact of strategic urban planning on good urban governance and sustainable development.

Keywords: Kosovo, strategic planning, governance, inclusiveness

Context: The quest for sustainable urban development

In 1950, the number of people living in urban areas was 750 million. In the year 2000, that figure is estimated to have been 2.86 billion, 47 percent of humanity. The fifty percent mark will be crossed in 2007, when for the first time more people will be living in urban centres as compared to rural areas. By 2030, nearly 5 billion people will live in cities, 61 percent of the world's population (United Nations, 2004). Humanity's future is definitely urban, and the trend of urbanisation irreversible.

Urban population growth is expected to be particularly rapid in the urban areas of less developed regions, averaging 2.3 per cent per year during 2000-2030. The worrying aspect of this growth is that it brings in its wake the 'urbanisation of poverty.' About one third of the world's urban population – nearly one billion people – lives in slums. Asia has about 60% of the world's slum dwellers, Africa 20%, and Latin America about 14% (UN-HABITAT, 2003). Local and national governments have limited capacity to cope with the ever-increasing demand for housing, infrastructure and services, and the issues of governance too are left unaddressed.

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The impact of urbanisation is not completely negative. Cities often perform the role of motors, driving national economies. They are dynamic spaces, and provide important economic, social and cultural opportunities for urban populations as well as the hinterland. If properly managed, urbanisation can actually help reduce poverty by increasing productivity and providing communities access to services, infrastructure, livelihoods and security.

As the world becomes more and more urbanised, therefore, sustainable urban development is an issue that has come to the fore of the development debate. A large number of international declarations and agreements have been adopted over the last fifteen years, most notably, *Agenda 21*, an unprecedented global plan of action for sustainable development adopted at the 1992 Earth Summit in Rio; *the Habitat Agenda*, the main outcome of the Habitat II conference in Istanbul in 1996; and the more recent *Johannesburg Plan of Implementation*, adopted at the World Summit for Sustainable Development in Johannesburg in 2002. All have called upon national and local governments to look for ways to ensure the sustainability of rapidly expanding cities and towns. The understanding of sustainable development seems to have been especially broadened and strengthened as a result of the Johannesburg Summit, particularly in respect of the important linkages between poverty, the environment, and the use of natural resources (UN-DESA, 2002).

The big question that must now be addressed, is – how can cities and towns be made sustainable, in social, economic and environmental terms, in the face of the challenges of rapid urbanisation, growing poverty and rising slum populations, increasing informality and exclusion?

Urban Governance: The latest buzzword

Over the last decade or so, there has been growing international agreement on the notion that good governance is a crucial prerequisite for poverty eradication. UNDP's 2000 Poverty Report calls good national governance the 'missing link' between anti-poverty efforts and poverty reduction (UNDP, 2000). Governance is defined in many ways, but all definitions focus on the relationship between the State, civil society and private sectors.

More recently, the term 'urban governance' has also gained currency. In the 1980s, improved urban management was said to hold the key to sustainable development. The concept of urban governance, however, added another (crucial) dimension to this process. It introduced the aspect of relationships between stakeholders, and put citizens and the private sector as equal partners of the state in terms of decision-making. Urban governance is defined by the United Nations Human Settlements Programme (UN-HABITAT) as,

> '…*the sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens'* (UN-HABITAT, 2002, p.17).

According to UN-HABITAT's Global Campaign on Urban Governance, good urban governance is characterized by seven principles, as described below:

- Sustainability, or the balance of social, economic and environmental needs of present and future generations.

- Subsidiarity, implying that the responsibilities as well as resources allocated to the lowest-appropriate level in order to achieve efficient and effective delivery.

- Equity, of access to basic necessities as well as decision-making processes.

- Efficiency, i.e. cost-effectiveness in delivery of services and management of resources.

- Transparency and accountability of decision-makers and all stakeholders, and freedom from corruption.

- Civic engagement and citizenship, i.e., effective participation of all urban dwellers in decision-making, and active contribution to the common good.

- Security, not only of individuals, but also of their living environment.

These principles are clearly interdependent and mutually reinforcing. The effective application of the principle of subsidiarity, for instance, is virtually impossible without transparency and accountability. Equity is closely linked with efficiency as well as civic engagement, and sustainability cannot be achieved without security, equity and efficiency.

Urban Planning: So what's new?

When the discussion on sustainable development was initiated, it barely touched upon the subject of planning. The Habitat Agenda, Agenda 21 and other international instruments focused on issues of social, economic and environmental sustainability; shelter and housing; the need for enablement and participation; the role of public and private sectors – but failed to place emphasis on the role of planning and planners. Mechanisms to ensure sustainable development included improved municipal management practices, environmental planning and management approaches, the use of Environmental Impact Assessments (EIA) and Socio-Economic Impact Assessments (SEIA), the application of Geographical Information Systems (GIS) towards improved environmental and natural resource management. All aimed to ensure that local and national governments did their job effectively, without losing sight of social and environmental considerations. There was however hardly a mention of 'planning practice' as a means of ensuring sustainable development.

The recent focus on improved governance in cities has also raised concerns about the future of urban planning. During a session on urban planning at the World Urban Forum in 2004, questions were raised as to whether good governance is a substitute for planning, and whether planning has any significant role at all in market-led economic development (Narang, 2004). Ensuring that planning and governance work in harmony and not at cross-purposes (planning being traditionally technocratic and top-down and governance in its latest emphasis participatory and stakeholder driven), are key issues that local authorities and professional bodies are grappling with. In order to be relevant in such a context, and to be able to meet the contemporary challenges of urbanisation, poverty, and exclusion, the planning profession and thus planning practice needs to redefine itself.

The planning profession has in fact seen many ups and downs over the last four or five decades. Traditionally, urban planning was seen as the means by which governments could deliver development – housing, social and physical infrastructure – to city dwellers. It aimed to provide a long-term perspective for a city's development, based on comprehensive analysis of the given situation and careful projections of demand and supply of land, housing and services. It was driven by visions, goals and deliberate strategies for development, and translated them into land use, infrastructure and other plans. At its best, planning ensured a good living environment, efficient service delivery, effective economic development and social cohesion in cities. At its worst, it was unrealistic, with grandiose visions divorced from reality, technocratic and stifling (Taylor, 2004). It was seen as a top-down decision-making process, a set of strict and restrictive regulatory frameworks to determine and control the use of land and resources, and as an expensive and time-consuming process, which rarely led to implementation. The failures of master planning, the dominant planning approach, are regularly cited to prove the point.

As planning fell from grace, throughout the 1980s and the 1990s, *laissez-faire* approaches came to the fore. Cities grew haphazardly, with private interests increasingly overriding public interest. Two decades of *laissez-faire* and market-led development, however, have made cities less sustainable, habitable and equitable. It is evident that letting private interests control resources such as land and housing, infrastructure and transportation, without adequate guidance, has exacerbated inequity and exclusion. As a result, the poor are forced to operate outside the formal systems, because they cannot afford legitimate access to land, housing and services. Informality, illegality and exclusion have become the dominant feature of many of the world's cities.

The time has come for the return of urban planning and a new urbanism, albeit in a new guise, with a focus on strategic and participatory approaches. Strategic planning, as opposed to conventional planning approaches, is selective rather than comprehensive, action-oriented, and based not solely on an assessment of the physical aspects of the city but also its social, economic and environmental strengths, weaknesses, opportunities and threats.

Strategic planning and good urban governance

UN-HABITAT's recent experiences illustrate that planning is a key tool in ensuring good governance. Not the old-fashioned, top-down, technocratic master planning, however, but strategic planning, which is selective, action-oriented and participatory. Strategic planning helps the city to respond to fast-moving events, to manage change, and to improve the quality of life (UN-HABITAT, in press). It takes into account implementation capabilities and the resources required, being more interactive with a broad range of stakeholders. It is based on partnerships with civil society and the private sector, rather than on legal sanction or the power to enforce.

We believe that strategic planning and good governance are based on a similar, normative framework, and have a number of characteristics in common:

- *Public participation and civic engagement:* Public participation is a cornerstone of the new planning approaches and a hallmark of inclusive governance. All citizens, especially women and the poor, must be enabled and em-

powered to participate effectively in decision-making processes. Civic engagement implies that living together is not a passive exercise: in cities, people must actively contribute to the common good. It helps create a sense of shared civic values and community rights and responsibilities that are in turn needed to produce the appropriate environment for responsible public engagement.

- *Equity:* Equitable governance in cities implies inclusiveness with unbiased access (be it for the unemployed, women, children or the elderly, religious or ethnic minorities or the physically disabled) to the basic necessities of urban life. Pro-poor development planning requires a renewed emphasis on equity, with institutional priorities focusing on pro-poor policies and mechanisms for responding to the basic needs of the most vulnerable groups in society.

- *Accountabilit*y*:* Accountability in urban governance addresses issues related to mechanisms for transparency in the operational functions of local government; responsiveness towards the higher level of government; local population and civic grievances; standards for professional and personal integrity and the rule of law. These are also crucial considerations in the strategic planning approach.

Strategic planning and urban sustainability

Sustainability has been defined as comprising social, economic and environmental sustainability. Important dimensions of *social sustainability* include issues of safety and crime, and poverty and inclusion, which can be addressed most effectively by improved planning and community empowerment. *Economic sustainability* requires improved productivity, which in turn needs improvements to be made to infrastructure and services, while ensuring transparent and user-friendly rules and regulations, and thus, accountability. These can best be achieved by better local governance, identifying common priorities, and building partnerships with the non-governmental and private sectors for the implementation of development projects. Finally, *environmental sustainability* involves improvement in the quality of the living environment, through upgrading slums, eradicating poverty, mitigating the impact of disasters, ensuring the judicious use of natural resources, and controlling pollution. These, too, depend upon more consultative planning approaches, especially in terms of identifying 'hotspots' and mobilising communities in formulating and implementing solutions to these. In other words, sustainable urban development cannot be achieved without a new form of planning, one that is pro-poor, strategic and inclusive (Hague, 2004).

Using the case of Kosovo, we will try to illustrate how the introduction of strategic planning in cities can lead to overall improvements in the quality of governance and to greater sustainability.

A new planning approach for Kosovo

Most of Kosovo's development problems arise from a combination of three factors: the legacy of an inflexible socialist economic regime under the former Yugoslavia, and its subsequent collapse; the economic and social exploitation and marginalisation of the territory and people of Kosovo and its subsequent violent ethnic conflict; and virtual anarchy in the absence of any functional governance structures in the two years immediately after the conflict ended. In this highly complex post-conflict transition

environment, the introduction of good governance at all levels was, and continues to be, the most important challenge.

Improving governance in urban planning and management was an essential pre-requisite for the physical, social, and economic regeneration of Kosovo's cities and towns. There are 30 municipalities in Kosovo, of which, 27 are controlled by the majority Kosovar Albanians, while the remaining 3 – Leposavic, Zveqan and Zubin Potok – are Serb-controlled (see map). Minority populations – Serbs, Roma, and others – can be found in all municipalities.

In all municipalities, the general and detailed urban plans were prepared by centralised institutions at least two decades ago – and are therefore outdated and un-implementable. Urban planners focus on administrative tasks rather than on developing a new vision or new development strategies for their cities and towns.

UN-HABITAT's Urban Planning and Management programme, initiated in Kosovo in 2002, was the first intervention by any international agency that focused on issues of urban planning. The larger towns were teeming with illegal constructions. The municipalities had limited capacity in respect of the preparation and implementation of development plans, despite the fact that it was their constitutional responsibility. Urban planners were dispirited and uninterested in anything other than their routine administrative tasks.

In this situation, UN-HABITAT initiated a comprehensive capacity-building programme on strategic planning, covering all 30 municipalities and involving nearly 100 urban planners. The cornerstone of this approach was the Urban Planning and Management Framework, which set out the main phases and steps in the strategic planning process. Planners were trained in new tasks such as conducting an urban situation analysis, including a profile, a SWOT analysis and an investment capacity assessment; undertaking participatory stakeholder consultations to define a collective city vision and common priorities; and preparing a strategic plan as well as action plans to address priority issues.

At the same time, UN-HABITAT also launched discussions regarding the need for a new legislative framework for planning. In the new market-oriented economy, the old legislative frameworks for guiding planning and development had become obsolete. A series of path-breaking public consultations were held on the preparation of a new spatial planning law for Kosovo. These consultations form the basis of the new legal framework for planning, which emphasised inclusiveness and people's civil right to participate, the new role of the public sector as a facilitator of participatory urban planning and management, and the need for an action oriented management approach to planning.

Impact of strategic planning on Kosovo's cities

As Kosovo's municipalities are still at different stages of the strategic planning process, it is still too early to definitely determine the outputs or impact of the new approach. What is already evident, however, is that the participatory process of developing plans, and the legal requirement to do so, has shaken most municipalities out of their inertia. Stakeholder consultations are being organised which involve representatives of various communities, groups and institutions. In Pristina, in one such stake-

holder consultation, key actors decided to come together to upgrade a square in the centre of the city. The Faculty of Architecture at the University undertook the task of re-designing the square and exploring the development of new public spaces. It was a collective effort that brought many players around the table and drew attention to the pressing problems of poor circulation and the lack of attractive open spaces in the city.

Yet another issue that has caught public attention during the consultation process is that of illegal and irregular constructions. In Pristina alone, there are over 7,000 illegal and irregular constructions. Dealing with these is an important aspect of ensuring sustainable urban development as they are often in contravention of building bylaws and encroach upon public spaces and road reserves. Moreover, many of these are 'rooftop constructions' and completely unsafe in this seismic zone, likely as they are to topple over at the first tremor. As a result of the increased focus on this issue, the central Ministry of Environment and Physical Planning, along with the worst affected municipalities, is now formulating a policy paper and guidelines on how to deal with the illegal and irregular constructions in cities.

The introduction of the participatory planning approach has also brought with it some broader changes in the functioning of the municipalities. Five municipalities have set up 'Front Desks', one-stop shops responsible for all public dealing – providing information, issuing various forms and receiving requests and complaints. The back offices of the municipality were suddenly free of unnecessary visitors, and it improved the efficiency of these offices to a great degree. The establishment of the Front Desks, along with the changes in the planning approach, brought in its wake greater transparency in planning documentation, and enhanced accountability in tasks such as the issuance of building permits, which are an important source of revenue for the municipalities.

Finally, the participatory and strategic approach to planning is slowly changing the investment climate in Kosovo's cities and towns. The inclusion of stakeholders in development planning is proving to be extremely useful in increasing and directing urban investments (both municipal and private) towards priority areas and projects.

The next crucial step: Institutionalisation

There is, however, still a long way to go before the changed planning approach is accepted and applied across Kosovo. Institutionalising the new approach involves consolidation of the procedures and practices over the long term (Ludeking, 2004). Changing of attitudes also needs more time and continued support from the international community. A strategic plan is urgently needed for the entire territory of Kosovo to establish development priorities for the province. There is currently no coherent settlement pattern, no clear agreement on economic development priorities, and no blueprint for infrastructure. Development seems always to be a few steps ahead of the plan – thus continuing to be chaotic and unsustainable.

The problem of land ownership is also extremely complex and difficult to resolve in the short term. Land owned by the state and parastatal bodies under the former socialist regime is slowly being privatised. Housing and property restitution issues are still being dealt with. Moreover, the *cadastre* (register of property) has been created from

scratch and only operationalised recently. All these issues must be resolved for plans to be realistic and implementable.

Finally, basic issues of inclusion also remain largely unaddressed till date. In almost all the cities, minorities are still marginalised, with limited access to the opportunities that cities offer to the majority groups, and hardly any voice in the decision-making processes. The planning process, especially at the community/neighbourhood level, needs to engage with these groups and provide them with an opportunity to share their views and priorities, as well as to influence the attitudes of majority groups and decision-makers in the process.

Conclusions

Rapid urbanisation has brought in its wake increasing poverty, informality and exclusion in many parts of the world, especially in the developing and transition countries. As such, the sustainability of human settlements in social, economic and environmental terms is at risk like never before. The focus is increasingly on good urban governance and its impact on sustainable urban development. In this paper, we have tried to make a case for a renewed emphasis on planning in order to achieve well-governed and sustainable cities. Using an example, we have attempted to illustrate how improved governance and sustainable development can be achieved together through a strategic planning approach.

Conventional, all-encompassing master plans are often impossible to fund and usually divorced from the need for solutions to pressing urban problems. As municipalities struggle to become more effective and efficient in their functioning in the light of increasingly scarce resources, strategic planning with its selective, action-oriented, partnership approach can help to identify priorities and to mobilise resources to address these priorities. Public participation in development decision-making, transparency, and the accountability of decision-makers to their stakeholders, as well as the equitable and efficient allocation and use of resources, are all core principles of good urban governance. We have tried to show that these are also the key characteristics of a new, more effective and strategic approach to planning.

The case of Kosovo illustrates that cities must be made attractive not just through physical renewal, but also through a renewal of civic values, by cultivating a sense of belonging and collective ownership, and by encouraging inclusion. Planning, therefore, can no longer be based solely on technique, but must derive its basis from collective values, a consensual vision for the city, and the identification of priorities that respond to the needs of all citizens, particularly the poor, the most vulnerable and marginalised. Planning is thus no longer about plans. It is, and must increasingly be, about people.
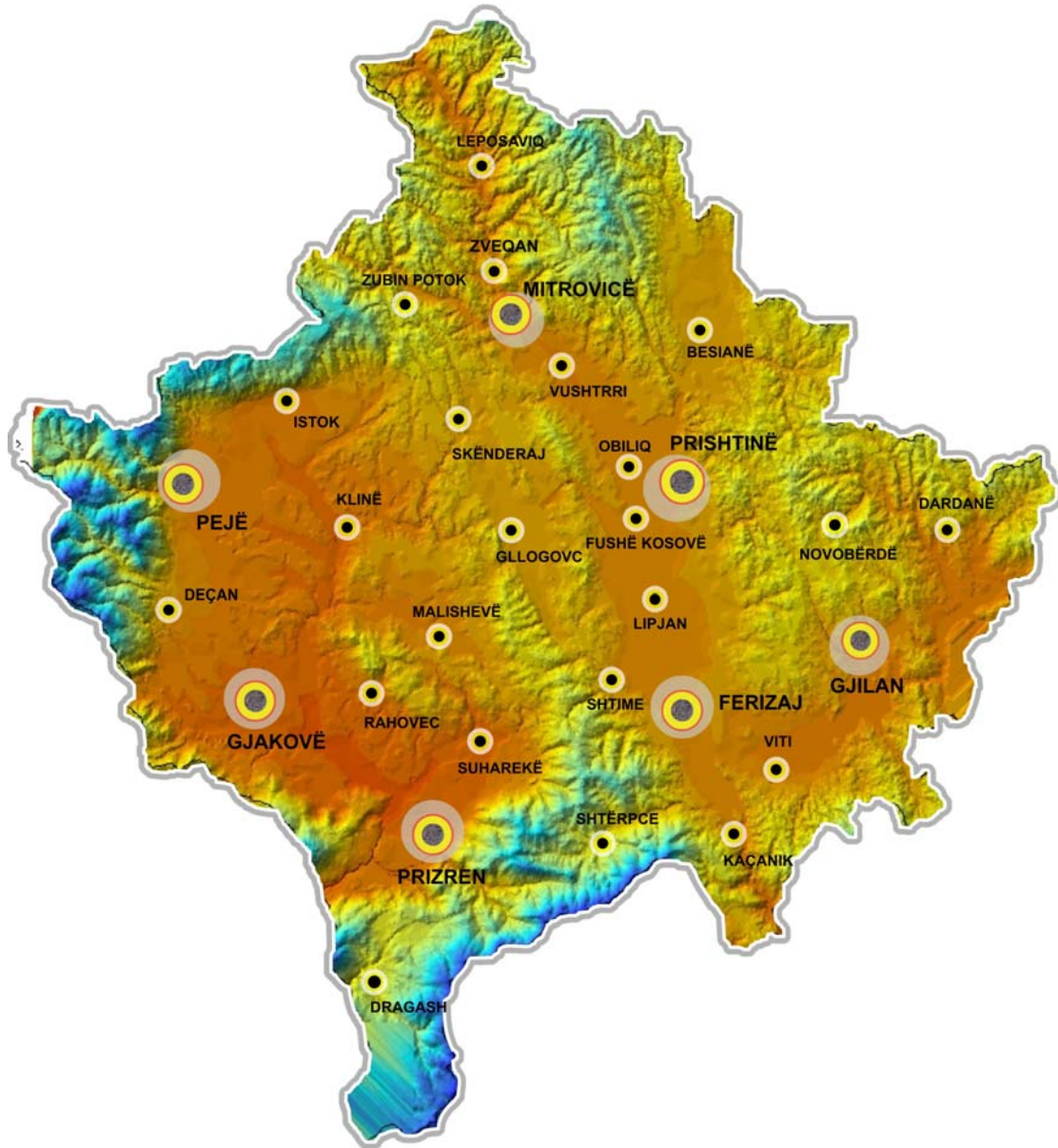
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