

URBAN MANAGEMENT A PRIMER

**Scope of Urban Management
Urban Management as a Process
The Functions of Urban Management
The Spatial Scales of Urban Management
The Role Players in Urban Management
The Overall Framework for Urban Management**

Edward Leman

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1.1. Urban Land

The equitable, efficient, economic and effective management of urban land is one of the prime responsibilities of local governments. Comprehensive urban land management generally requires five coordinated components:

- accurate and timely **mapping, gathering and maintenance of land-related data** in order for local governments to know what they have and where;
- accurate and quick **land registration** procedures to facilitate effective administration of property rights;
- clear and fair mechanisms for **assembly, transfer and disposal of land** including accurate market valuation mechanisms;
- comprehensive and participatory **planning of land uses** in order to ensure orderly urban development; and
- efficient and effective procedures and systems for **generating revenue from land** through taxation, user fees and public value capture mechanisms.

1.2. Natural Environment

While management of the natural environment has typically been the responsibility of central government agencies, local governments have an important role to play since towns and cities are large consumers of natural resources as well as sources of pollution and environmental degradation. If not managed in a sustainable way, consumption by large towns and cities can cause serious and sometimes irreplaceable depletion of essential resources and serious environmental damage that affects public health, safety and the capacity of natural systems to sustain development. If economic and social development of

towns and cities is to be sustained, the proper management of **water resources, air quality, and land resources** must be localized in agencies that have sufficient power to effect **both environmental and economic mandates**.

1.3. Infrastructure

The planning, provision, operation and maintenance of infrastructure networks are among the most complex undertakings facing local governments. Existing infrastructure is usually outdated, insufficient in quantity and poorly maintained. These conditions generally apply to all forms of urban infrastructure:

- **water supply and treatment systems** for both potable water and that required by industry;
- **sanitation and solid waste management systems** including handling and disposal of toxic wastes;
- **energy generation and distribution systems** for both domestic and industrial use;
- **transportation systems** both public and private; and
- **communication systems** ranging from telephone services to telecommunications.

Of particular importance in dealing with urban infrastructure is the need for **coordination** between agencies in planning, constructing, operating and maintaining the various systems.

1.4. Shelter and Community Facilities

The experience over the last several years with central government agencies providing housing for low-income households – largely through massive “public low-cost housing”-has shown that such schemes are often failures. Again, the localization of the responsibility for providing affordable shelter is now being viewed as a far more effective strategy. Local governments are increasingly playing

an “enabling” role in the provision of ***housing and community facilities*** by:

- making public land available for self-help construction;
- providing basic infrastructure;
- organizing and assisting communities in availing of housing finance; and
- rationalizing building and planning regulations in order to decrease capital construction costs and encourage wider private sector participation in housing construction.

1.5. Social Services

Local government are often called upon to manage a diverse range of social services, including:

- ***healthcare***, particularly through local community clinics;
- ***education***, at least at the primary level;
- ***security*** from crime;
- ***public safety*** from fire and nature disasters and during emergencies;
- ***welfare programmes*** for the aged and the handicapped;
- the ***alleviation of poverty***, and
- ***recreation*** (open spaces, parks, sports and cultural facilities, etc.)

Although social services are often viewed by economic planners as non-productive investments, it is clear that an unhealthy, uneducated, insecure, unsafe and bored urban population will not be effective economic contributors. In fact, urban residents who are uncared for can often cause significant social and political unrest. The challenge to local governments is balancing investments in social services with those in infrastructure

and economic development. Promoting partnerships between the government and the private sector in the provision of urban social services is emerging as an effective means of dealing with this critical urban management sector.

1.6. Economic Development

Local governments have a direct effect on economic development through policies and programmes influencing, among other things, investment, climate, distribution of goods and services, and the cost of doing business through taxation and other mechanisms. These affect all economic sectors:

- ***primary*** economic activities dealing with resource extraction (e.g. agriculture in the periphery of urban areas);
- ***secondary*** activities of manufacturing and construction;
- ***tertiary*** activities related to physical distribution of goods and resources; and
- ***quaternary*** functions comprising support services such as banking and insurance.

2. URBAN MANAGEMENT AS A PROCESS

Local governments face a complex task in managing the natural environment, urban land, infrastructure, shelter and community facilities, social services and economic development. Much more complex, however, is the intricate web of relationships between these sectors. With many competing demands from all sectors in rapidly urbanizing areas, it is often difficult to assess the impacts of actions on one sector against another and to establish a rationale approach to establishing priorities for planning, directing and managing public investments.

A systematic way of doing so is to borrow methods from business management and apply all urban programmes and projects to a multi-sectoral management cycle

consisting of strategic planning, tactical planning and operations.

The Strategic Planning process consists of the establishment of **objectives and targets**, the formulation and evaluation of **policy options** that would allow an organization to achieve its objectives, and the **selection of a strategic option of objective and policies** considered feasible within the context of competing interests of a diverse group of role players, external factors and internal strengths and weaknesses.

Objectives are the desired results to be achieved by an organization in the long term, while **targets** are specific conditions to be achieved in the short and medium terms. **Policies** are the legislative, organizational, economic, financial and technical frameworks within which objectives can be attained through

efficient, equitable, economic and effective measures.

Strategy Implementation, on the other hand, consists of **tactical planning** and **operational planning**. Tactical plans are specific measures to be implemented in order to attain objective while operational plans outline the day-to-day logistical activities of an organization.

The overall process that should be followed in multi-sectoral urban management consists of nine basic steps (See Figure 2).

2.1. Definition of Problems and Opportunities – Analyzing problems and development opportunities; isolating principal issues and setting priorities among them;

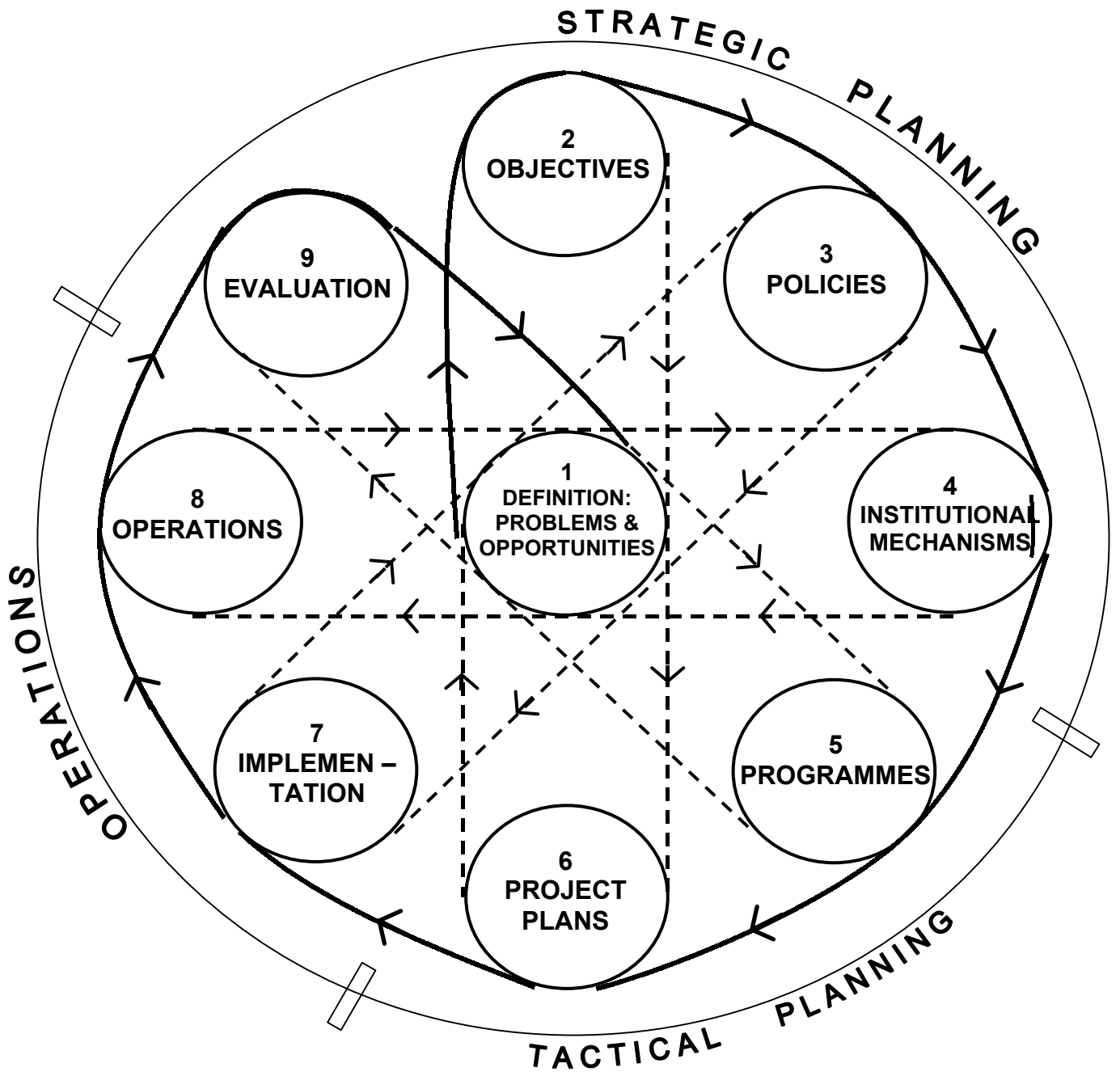


Figure 2: The Urban Management Cycle

2.2. Development of Objectives –

Based upon a comprehensive understanding of problems and opportunities, through consensus among all related role players and organizations, developing attainable goals and objectives;

2.3. Development of Policies –

Establishing the approaches as to how the objectives developed above will be implemented; this stage requires the development of legislative, regulatory, organizational, economic, financial and technical measures required to implement the objectives, and a thorough analysis of their feasibility;

2.4. Development of Institutional Arrangements –

Once the policies are set, designing the institutional relationships and organizational structures and systems required to implement the objectives;

2.5. Programming – Developing in detail the various programmes that are required to fulfill the objectives.

2.6. Development of Plans –

Developing the detailed technical plans within the context of the programmes created in the preceding stage;

2.7. Implementation – Actual construction and/or implementation of detailed plans;

2.8. Operation Maintenance – Day-to-day operation and maintenance of completed works, and follow-up organizational improvements in order to ensure economy, efficiency, equity and effectiveness of the strategy;

2.9. Evaluation – Addressing how well the completed (as well as continuing) programmes and projects are meeting the objectives of the strategy; modification of

the strategy according to evolving economic, political, regulatory, cultural, social and technological realities.

These nine stages are cyclical and should be undertaken as a matter of regular routine in order to ensure relevance to changing conditions. In each of the management stages, the allocation of four essential resources need to be committed in pursuit of established objectives:

- *People* – individuals, organizations, institutions, the community;
- *Information* – generated both internally within the organization and externally;
- *Capital Resources* – money, machines, materials, facilities, energy;
- *Power* – the ability to cause, influence and control actions.

These resources are all inter-related (see Figure 3). Without any one of them, effective “management” cannot occur. For example, without sufficient *power* to make certain strategic decisions in a time of rapid change, organizations cannot exist for long; without *money, machines or energy*, organizations cannot hope to function effectively; and without sufficient *information* on goals, policies, and procedures, there is no defined purpose to management that can be shared by the *people* in an organization.

This set of resources is influenced by a number of factors: time, physical location and environment; scale and size of an organization; political and institutional constraints; socio-cultural values and moves; levels of technological development; and economic conditions. These factors define the types and quantities of people, information, capital resources and power that are to be managed.

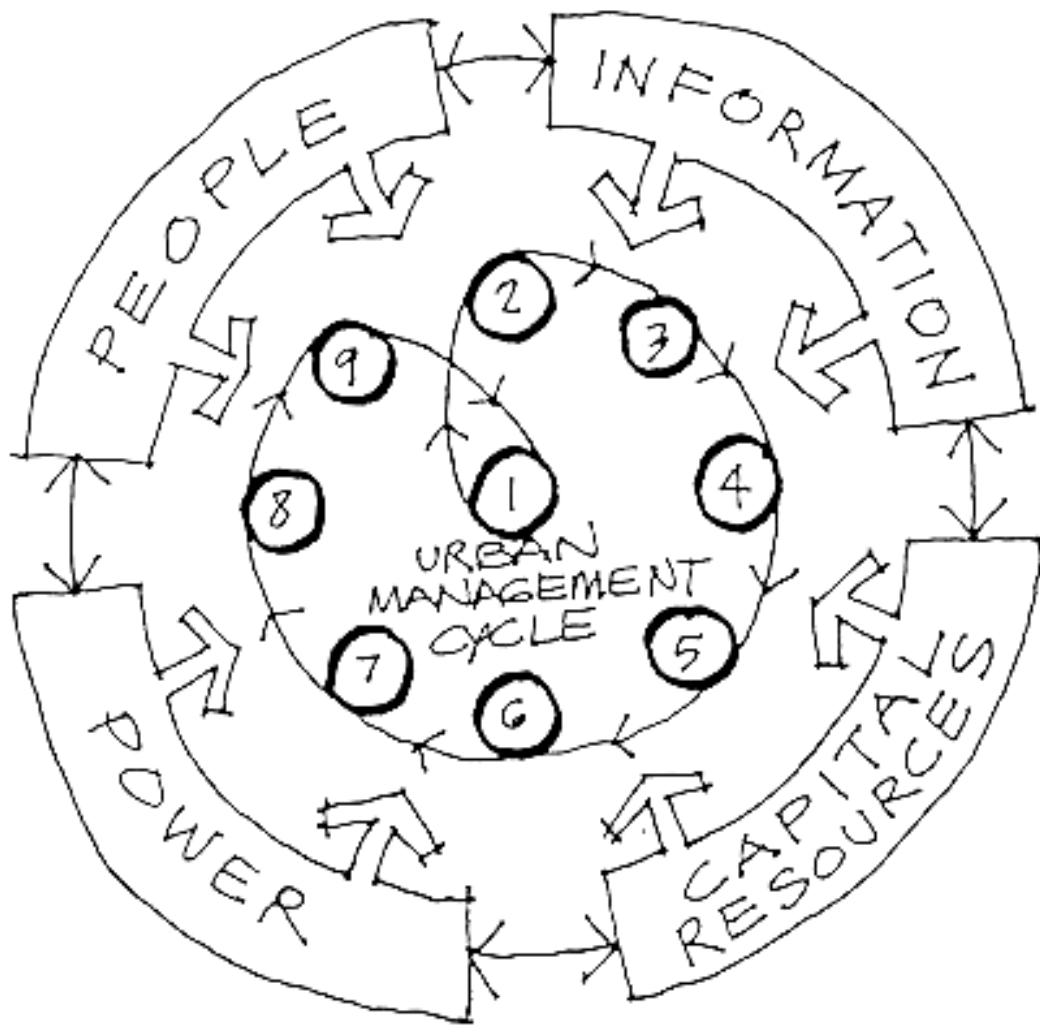


Figure 3: The Resources for Urban Management

3. THE FUNCTIONS OF URBAN MANAGEMENT

Within the framework of the urban management process described above, there are six generic management functions that, properly executed, together constitute effective, efficient, equitable, and economic urban management (see Figure 4):

- Marketing

- Operational Management
- Information Management
- Financial Management
- Human Resource Management
- Organizational Development

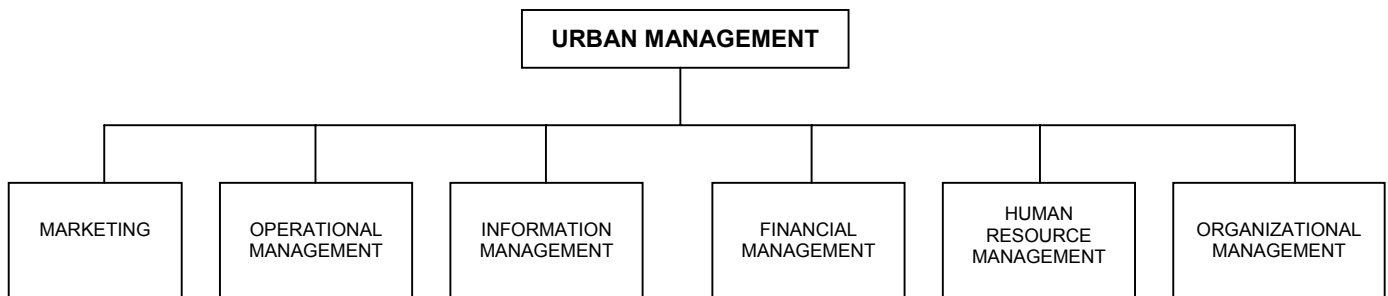


Figure 4: The Functions of Urban Management

3.1. Marketing

Marketing is a management function commonly undertaken by private, profit-oriented businesses. However, all governments, particularly at the local level, market continuously. If marketing consists of **identifying and meeting the needs of a group of people** willing to pay or compensate for the satisfaction of those needs, then local government is clearly engaged in marketing if it is to function properly.

Marketing can be defined as the three activities of:

- **market research** – identifying effective demand, i.e. needs that can be ultimately paid for by the market;
- **external relations** – projecting the accurate message of the organization's culture and purpose; and

- ***promotion*** – obtaining the resources of people, information, capital resources and power required to pursue government policy and exercise the organization’s mandate.

Local governments market to a number of entities:

- ***to their constituency*** – the people in neighborhoods and communities who must be in agreement that a particular strategy, programme or projects should proceed;
- ***among themselves*** – in competing for financial and other resource budgets to implement sectoral or local policies, programmes and projects;
- ***to higher levels of government*** – to obtain permission and/or transfer of funds to execute the strategies necessary to fulfill their mandates;
- ***to international agencies*** – to obtain technical assistance and/or funding support for specific programmes and projects; and
- ***to domestic and foreign investors*** – to attract outside investments in manufacturing, tourism or other development potentials to promote the development of the city.

3.2. Operational Management

All of the management functions rely on information, whether computerized, graphic, written or spoken, the effective transfer as well as interchange of information is central to the success of urban programmes and projects. Information management, both within departments and among them, consists of:

- ***data gathering and verification*** of the accuracy of these data;
- ***classification of data*** into a database management structure;

- ***storage and retrieval*** of information either through electronic data processing or manually; and
- ***dissemination*** of relevant information to all those role players involved in the urban management process.

Inaccurate, incomplete or outdated information will inevitably result in uneconomic, inefficient, ineffective and inequitable urban programmes. The precision with which data is collected, classified, stored, retrieved and disseminated is key to the success of an organization’s marketing, organizational development, operational management, human resource management, and financial management.

3.4 Financial Management

With the increasing decentralization of urban management functions to local governments come the responsibility for sound financial management. Smaller transfer payments to municipalities from national governments or mandatory transfer of locally-generated revenues to central governments that result in shrinking budgets, are requiring local governments to put new emphasis on revenue generation, to budget funds more carefully, and to monitor expenditures in a more efficient way.

Financial management consists of:

- ***financial planning*** of revenues and expenditures and plotting of cash flows;
- ***sourcing of funds*** through taxation, user charges, borrowing, and sale or lease of public assets, particularly land, and
- ***careful monitoring and control*** of expenditures.

3.5. Human Resource Management

Well-trained, motivated people are key to the success of urban management. ***Personnel planning and control***, or the

allocation of the right people to tasks that they can handle well, is a central function of human resource management. all personnel should be exposed to **education, training and re-training** throughout the course of their careers, an important facet of **motivational development**.

A key factor in motivational development is ensuring that the "corporate culture" – or system of values within an organization-is continually communicated by senior managers to their staff. This is easier to do in a private business than in a government context but it is extremely important to ensure that urban managers understand **why they are doing what they do**.

3.6. Organizational Development

Needs, knowledge, and the availability of resources (people, information, capital and power) are constantly changing in a rapidly-urbanizing town or city. Local governments must have the capacity to continually:

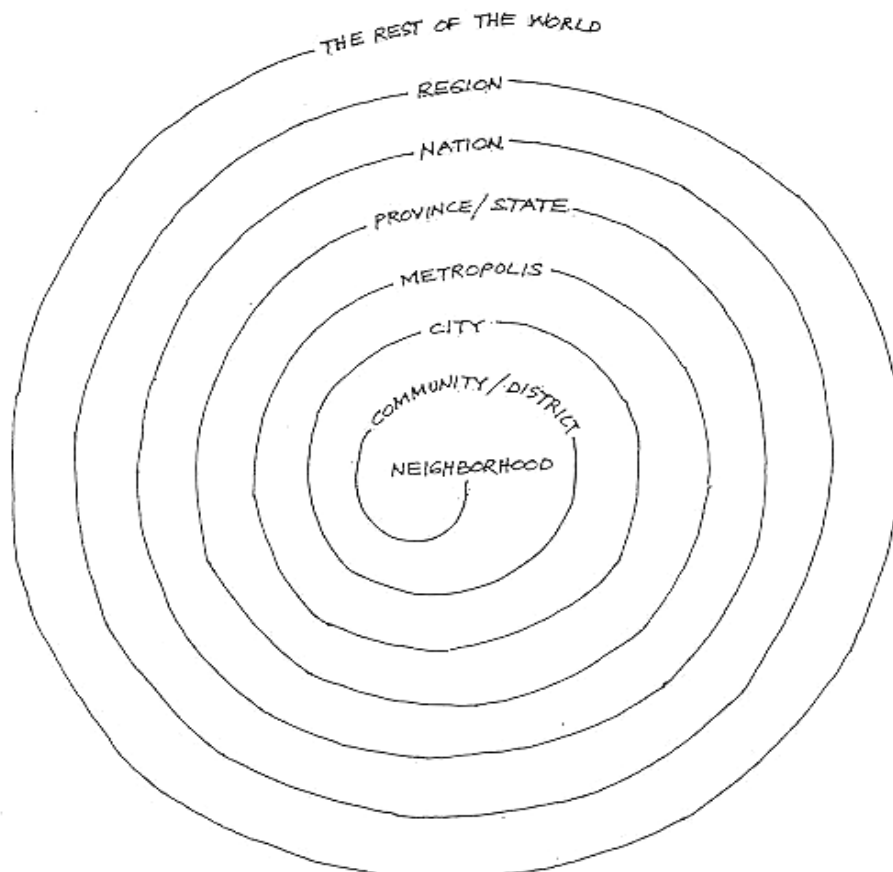
- **analyze their existing organizations'** effectiveness, efficiency and economy;

- **design new organizations or modify existing ones** to function more optimally and maintain relevance to changing conditions; and
- **monitor and control those new or modified organizations** on a continuous basis.

This may particularly be difficult to do in rapidly urbanizing countries with scarce resources. Competition within governments for those resources is high, and power structures-once entrenched-prove difficult to dismantle. However, if local governments are to respond to a steadily increasing set of urban problems and opportunities, organizational development is a key management function that must be understood and continuously exercised. It can be likened to a private motor vehicle which is regularly tuned up, maintained and repaired in order to minimize the risks of breakdowns and continue to run well.

4. THE SPATIAL SCALES OF URBAN MANAGEMENT

Urban areas-from towns t metropolitan regions-are comprised of a range of spatial



scales all of which require management in

one form or another (see Figure 5):

Figure 5: Scales of Urban Management

- **Neighborhoods** are typically comprised of several households and are generally self-managing;
- **Communities** are typically comprised of several neighborhoods and may not necessarily be self-managing; in some countries, larger communities are called **districts or precincts** where there begins to emerge levels of government that have responsibility for road maintenance, waste collection, education, primary healthcare and recreation;
- At the **city** scale, the entire range of urban management functions are carried out;
- In some countries, there is the higher scale of "city", several of which constitute the **metropolis** as a whole;
- In cases where there exist a large capital city of a metropolitan area, these urban centres exert strong influence on its surrounding **area** that may be part of a **province** or **state** and some of the decisions made by local governments will have far-reaching impacts;
- Further up the scale is the **nation** where urban management is an important component of a national urbanization policy which addresses the whole issue of urban growth and development and its contribution to national economic development;
- In the context of a global economy, there is the **regional** and **international** scales where relationships between key cities of the world are maintained.

5. THE SPATIAL SCALES OF URBAN MANAGEMENT

Municipal and **district** governments are not the only role players in urban management. Local administrators must often deal with **provincial, regional, and national** governments. Governments must also be aware of the needs, potentials and constraints of **community-based organizations, non-governmental organization, and professional associations**. In addition, local urban managers need to understand the requirements-and potential contributions-of **parastatal corporations, private companies, investors** (both domestic and foreign), and the **informal sector** in the urban development process. In rapidly urbanizing countries, many local governments are also establishing liaisons with **bilateral and multilateral aid agencies** such as USAID and the UNDP (see Figure 6).

The web of role players in urban management is complex and one that is constantly changing as power shifts occur. Urban managers must understand that the programmes and projects they are formulating today may need to be changed even during the course of their implementation. The need for such change can be minimized by **consulting** with all principal role players right at the start of the strategic planning stages and by **maintaining line of communication** throughout the process. **Participatory consultation mechanisms** should be institutionalized and anchored to routine functions wherever possible and subjected to review and modification on a regular basis.

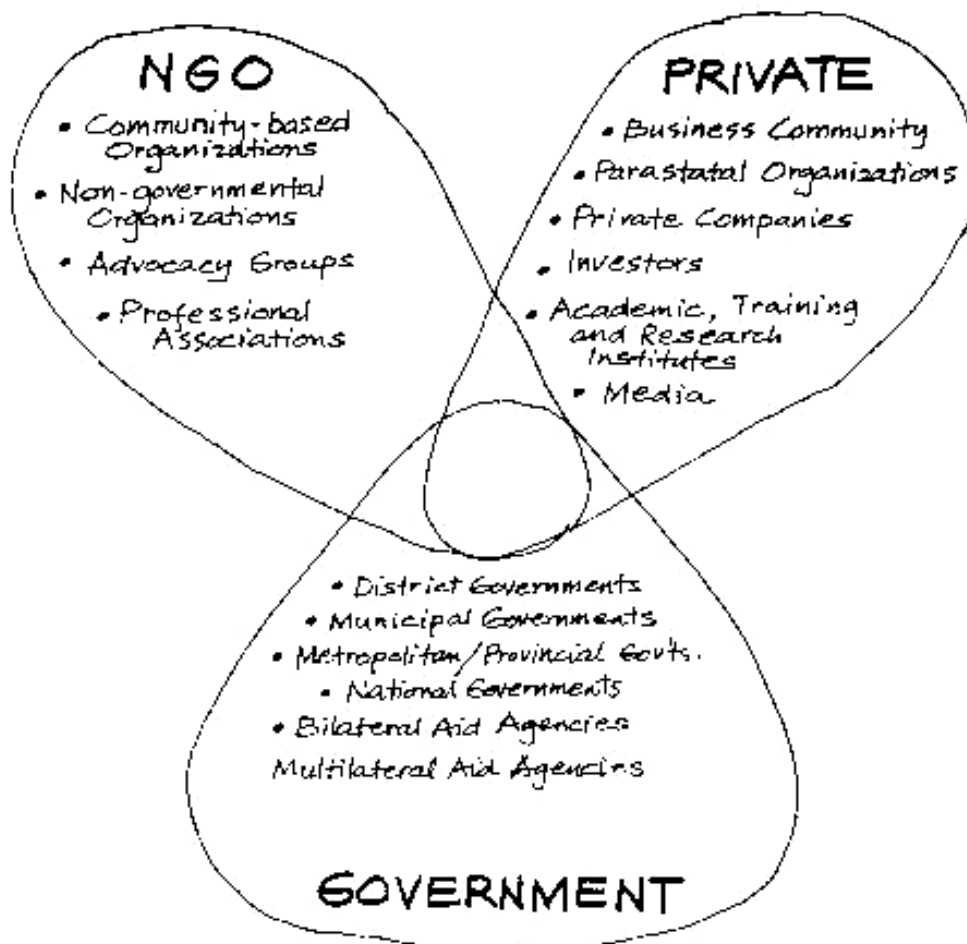


Figure 6: Role Players in Urban Management

6. THE SPATIAL SCALES OF URBAN MANAGEMENT

Combining the six sectors with the stages in the urban management cycle, the management functions, the physical scales to be managed, and the role players involved in the process, provides an overall framework for urban management.

This framework provides an analytical and planning tool that can assist urban managers in planning their policies, programmes and projects. It provides a means for ensuring a multi-sectoral approach to urban management, balancing management functions, and rationalizing the contribution of various role players in the process.

