

RESHAPING LOCAL DEMOCRACY

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I. INTRODUCTION

IN THE OPENING years of the new millennium, the significance of governance for both development and the environment is increasingly evident.

The roots of the present interest in governance by development agencies emerged in the 1980s and 1990s, when the institutional failures of the market became apparent. The promotion of the market by a range of development agencies was itself a response to earlier critiques of the performance of government and government agencies. Development assistance agencies saw the shortcomings of governments in low- and middle-income nations as one of the reasons for the lack of progress in development. More generally, government became associated with short-term populism, corruption and the self-interest of political elites. Many development agencies switched to strategies that placed more emphasis on the market and commercial institutions. However, experiences with these strategies were mixed. Most notably, the market failed to provide adequate solutions in the areas of inclusion, poverty reduction, environmental protection and public services. It is with regard to these issues that interest in governance has been greatest.

At the same time, better governance became a pressing issue for the world's citizens. In the closing decades of the last century, a significant number of people's movements demanded systemic changes in government, a switch from politically repressive regimes to those that offered multi-party democracy. Special interest groups sought involvement in decision-making in areas of concern (although many had little interest in participating in party-based politics). A further notable and more recent element has been the challenge to state power in the early years of this century by terrorist violence. The "war on terror" is not a traditional war with two or more governments contesting for power and resources. Rather, this war pits states against groups of individuals who seek to influence government and the way that it governs.

It is in such contexts that Gaventa⁽¹⁾ has argued that a key challenge for the twenty-first century is the construction of new relationships between citizens and governments (particularly local government). One set of such relationships is conceptualized with the term **governance** and, as summarized in the paper by Harry Smith, a number of authors have put forward definitions of governance. In this introduction, the term is used to refer to the **institutions and processes, both formal and informal, which provide for the interaction of the state with a range of other agents or stakeholders affected by the activities of government.**

Governance, in other words, extends the concept of government to include the wider set of institutions and organizations that influence the processes of government. Arguably, this broader set of relationships has long existed, but a previous concept of government was that it should somehow stand back from the messy business of negotiating acceptance of and agreement to its own processes and decisions. There is now recognition that this messy business is indeed part of the process. Rather than government taking decisions in isolation, there is growing acceptance (indeed, expectation) of an engaged state negotiating its policies and practices with those who are a party to, or otherwise affected by, its decisions. This evolving perspective questions government strategies that simply involve negotiating with a few powerful but unrepresentative groups. Rather, the concept embraces a more systematic consideration of who should be included and how they should be included. Governments, and indeed state power, are an important, perhaps predominant, but not all-determining force.

Few of the papers in this issue talk about the need for governance; most move rapidly on to talk about how it might be done. However, the need for the transformation in the traditional exercise of state power is illustrated by Seong-Kyu Ha's paper. Ha discusses how some of the poorest citizens in South Korea have been left in inadequate

housing and with few services. Existing alternatives, both those based on the market and those coming out of housing rights campaigns, are also associated with problems, including increased vulnerability. The author concludes that collaborative cross-sectoral solutions offer the best strategy for improvement.

We should recognize that not all relationships between state and citizens fall within the remit of governance according to our definition. Relationships between individuals and the state that are concerned simply with those individual's concerns, and which do not affect others on any significant scale, are excluded.

The attractiveness of governance is reflected by the multiple and multiplying perspectives on its potential value to development. Here, we draw attention to five such perspectives.

First, the connection between civic involvement and economic growth, captured in Putman's widely referenced work, *Making Democracy Work*,⁽²⁾ is one strand of this debate. Attempts to strengthen civic activities can lead to stakeholder approaches to government accompanied by generally formalized strategies for consultation with identified groups. In such a context, the emphasis is often on the democratization of government (through greater citizen involvement) rather than governance *per se*.

A second perspective on good governance is that it offers a way to ensure that government is more inclusive and participatory, and hence more effective in poverty reduction. For those for whom poverty is defined in part by a lack of voice, these measures are themselves poverty-reducing. For others, good governance offers a potential for more appropriate policies and practices. With more communication with, and influence by, groups of the poor, it is believed that state policies and practices will improve.

A third perspective emerges from civil society groups themselves. There has been a widespread growth in recognition of, and financial support for, citizenship movements and associated NGOs. Some have focused on a specific goal or policy, and have dissipated once success has been achieved; for example, the pro-democracy movements in a number of countries. Some have, themselves, sought to join government, with leaders standing for political office or accepting state appointments. However, others offer a grassroots challenge to existing government processes, and have campaigned for greater involvement and inclusion.

It is worth emphasizing that such groups see participatory governance as a necessary complement to representative democracy, which often fails to represent the interests of less powerful groups, especially in situations of resource scarcity, where elections become a way of allocating limited state benefits rather than making political choices.

Fourth, governments have also found the rhetoric of inclusive governance attractive. As they have lost legitimacy and found their scope and decision-making being questioned, some have sought to regain confidence and improve performance through offers of inclusive decision-making to a range of other interested parties. Measures have been taken at national and local levels and have included more information, formal consultation and increased accountability to the citizenry. There have been some notable attempts to reach out to groups that have been excluded previously. Governments as far apart as Bolivia and the Philippines have institutionalized multi-stakeholder decision-making councils.

Fifth, decentralization and local democracy have created a new generation of local politicians, many of whom have strong links with local political activists. When taking up office, they have been encouraged to explore partnership arrangements with groups that have traditionally been kept at arm's length from state authorities. At the same time, national and provincial governments seeking to strengthen local decision-making may also see advantages in encouraging links between local government (which may lack capacity) and other local organizations that share a development agenda.

For this issue of *Environment and Urbanization*, we sought examples of participatory governance. How does participatory governance differ from simply good governance?

If governance refers to the processes and systems of government, including negotiation with a range of significant groups, then participatory governance places a particular emphasis on the inclusion of the people, especially the poor. It emphasizes the need to introduce mechanisms to encourage the involvement of those who do not find it easy to participate in state structures and processes because they are generally far removed from their own cultures and practices. Such groups are likely to face many forms of discrimination, including those based on gender, ethnicity and often simply poverty, when they try to engage with state agencies.⁽³⁾

What is not participatory governance? In deciding on the papers for this issue, we made use of two criteria. First, the arena of action with regard to policy or practice has to go beyond a specific neighbourhood or single development. There are many participatory projects that involve citizens and local government in localized decision-making, but they do not fall into the concept of participatory governance as defined here if the decision-making is only project-specific at the level of the neighbourhood. Hence, not all participation, even participation involving government agencies and officials, is participatory governance – if it is limited in scope, scale and space. Second, government that engages individual citizens in individualized consultation and decision-making processes may be considered to be good government, but it is not considered here to be good governance. Our argument is that participatory governance implies the engagement of government with a group with some interests beyond those of a single individual (although members may not benefit equally). For this kind of governance to take place, some sense of group identity and interest is important, and this forms a starting point for a process of negotiation and collaboration between two or more parties.

Having defined the concept that lies behind the theme of this issue and having explored the boundaries that help further to define our subject area, what emerges from this collection of papers? Three themes may be of particular interest: the dynamic and embedded nature of participatory governance, the complexity of the relationship between participatory governance and representative democracy, and the ways in which new institutional capacities themselves become a part of the process, increasing future options and possibilities.

II. THE DYNAMIC AND EMBEDDED NATURE OF PARTICIPATORY GOVERNANCE

THE STRONG PROCESS dimension of governance makes it hard to draw simple conclusions about the strengths and weaknesses (or positive and negative nature) of outcomes at any specific point in time. For example, this collection offers two contrasting perspectives on “top-down” participatory governance. In Costa Rica, Harry Smith concludes that the Triangle of Solidarity has failed to improve local neighbourhoods because control over resources and over the process itself

has remained within central government staff. Community members ended up frustrated and with a sense that they had been deceived. In Vietnam, a similar “top-down” measure is analysed more favourably by Mark Mattner as indicative of the extent to which local dissatisfaction with government has resulted in significant concessions from central government. More active citizen engagement in local politics is seen as a way of addressing recognized weaknesses in state agencies, including local government.

In both cases, the participatory governance processes are deeply embedded in ongoing political relationships and realities between the key groups. A similar picture emerges from the study of participatory budgeting in which Yves Cabannes outlines the multiple and distinct motivations behind the initiation of these programmes in 25 municipalities. The analysis shows that it should not be assumed that all 25 programmes are similar in nature. While there are commonalities in approach, their strategies and outcomes are very much related to contextual factors such as the motivation of the mayor or leading group within the council, the degree of autonomy that the council has over its own budget, and the nature and scope of the groups drawn into the budgeting programme.

Hence, we should recognize that governments and civil society groups engage with participatory governance strategies with mixed intentions and with a diversity of understandings. From the beginning, these initiatives are strongly influenced by existing relationships and the ways in which power is distributed within such relationships. However, by their very nature, unless entirely illusory, participatory governance processes open up new possibilities, by allowing non-state groups related to poverty reduction greater “space for negotiation”. Even in Smith’s study, with his pessimistic assessment, he points to potential benefits that might accrue as, for example, the process results in community groups in one settlement being brought together for the first time. Smith notes in his conclusion that community groups did manage to negotiate, albeit outside the official framework.

It is in part the depth and complexity of the relationships involved that make assessments of outcomes so difficult. While the example from Cambodia by the Asian Coalition for Housing Rights offers an indication of the potential benefits of participatory governance, the same example would have had a pessimistic conclusion just a

year ago, when civil society groups were dealing with the very real problems of resettlement, and state agencies were showing little willingness to consider the considerable difficulties experienced by poor and vulnerable citizens. One measure of the quality of the process is how it changes the understanding of the parties involved, enabling a new set of approaches to be explored as knowledge and confidence grows. This finding also emerges in Lesley Dove's analysis of the participatory planning exercises in 32 municipal authorities and corporations in Andhra Pradesh. The community members learned more about the way in which state resources were allocated, and the municipal officials recognized the quality of community decision-making.

At the same time, we have to recognize that there are no easy answers for those seeking to support political changes that are pro-poor. Eldrid Mageli describes the work of the Indian NGO, Unnayan, and their work to address housing needs and housing rights. Despite seeking a participatory process to influence government, and despite being successful in embedding the issue of housing rights within judicial processes with the active support of movements of the poor, the campaign did not progress. The author concludes that responsibility must lie with the state authorities; however, as shown by Ha, many fail to address the needs of the poor. Participatory governance strategies may offer more than reliance on the state.

III. THE COMPLEX INTERPLAY BETWEEN REPRESENTATIVE AND PARTICIPATORY DEMOCRACY

THE SECOND ISSUE is the complexity of the relationship between decision-making by existing state agencies, including elected representatives and government bodies, and decision-making emerging from participatory governance processes. This was one of the several emerging issues in the study of 25 participatory budgeting processes discussed by Cabannes. At the heart of such initiatives is the right to increase councillors' decision-making, with more localized citizen involvement in determining resource allocations.

Many elected politicians oppose most forms of participatory governance because they see themselves as the legitimate decision-takers, elected by citizens through a democratic process, and believe such participatory processes are taking decisions

and control away from them. The tensions between elected representatives and participatory governance initiatives emerge in Felisa Etemadi's study of Cebu in the Philippines. Etemadi explains how the NGOs and people's organizations found their political space constrained in the 1990s, with a redirection of their energies into service delivery. Attempts to broaden the scope of involvement with an NGO advisory council were not successful. The NGOs are now pushing for the municipal council to accept sectoral representation, and legislation is being considered by the Philippine congress. But local politicians are not supportive.

The assessment of relationships between representative and participatory democracy cannot be a simple one, and attitudes should not be assumed. The significance of new forms of governance for traditional state activities is indicated in the increase in tax revenues that has been found in a number of projects, as relationships between citizens and the state are transformed. As Cabannes makes evident, people are more willing both to pay taxes and to maintain the investments that they have jointly agreed to make. Mattner suggests that the processes involving greater participation in government in Vietnam have opened up a space in which contestation becomes more acceptable.

At the same time, the papers describe some of the problems faced by service providers who are tasked by both development agencies and national governments to find strategies to increase their accountability to clients. Sue Cavill and Mohammed Sohail discuss the effectiveness of several strategies used by providers to improve performance through a better dialogue with users. They conclude that improvements in accountability have not resulted in greater user satisfaction with planning, delivery and maintenance of urban services. The debate highlights what happens when a concept is stretched into a context in which it cannot easily apply. In an era in which state agencies are being questioned, participatory governance is being offered as a way of holding service providers to account. Service providers perceive themselves to be offering a service to individualized customers – and to be accountable for the delivery of the service – not to be negotiating with collective customer groups. Their own capacity to enter into such negotiations is likely to be limited. But the authors highlight the need for some kind of participatory governance, perhaps at a different level, when they argue that the poor prefer not to use the formal routes offered by service providers

(such as complaints procedures) but, rather, look for other opportunities to express their frustrations such as "...public meetings, meetings with councillors, voting for politicians and approaching other public figures who also have a catch-all responsibility."

IV. NEW INSTITUTIONAL CAPACITIES THEMSELVES BECOME A PART OF THE PROCESS

THE THIRD POINT is perhaps the most significant. The success of participatory governance may lie in its capacity to create new and unforeseen opportunities for groups with widely differing, but related, interests to realize common objectives. What is apparent from these papers is that to achieve such success requires a number of new sets of institutions, including new organizations, new ways of working within existing organizations and new rules for inter-organizational relationships. This insight offers a possible response to the challenge raised by Dubresson and Jaglin in their overview paper to the volume discussed in Book Notes.⁽⁴⁾ They argue that, to date, there has been relatively little understanding of how to move towards the practicalities of power-sharing, especially in ways that include the poorest. The papers in this volume suggest some possible strategies.

A starting point is the evident need to create conditions in which the various interest groups can make choices about the goals they wish to prioritize and the strategies that they wish to use. For a participatory governance process to achieve success, the individual parties need to achieve some clarity of purpose and common strategy. In Costa Rica, as noted already, the CBOs came together. The strategies used by federations formed by urban poor groups in Cambodia, the Philippines and Kenya have a similar intent, and go further. Strong local savings activities enable federation groups to collectively consider their needs, and federating with other groups enables city (and sometimes) national positions to develop. In a further example, Etemadi discusses how, in Cebu, the NGO coordinating group, *Kaabag sa Sugbo*, had to move towards a clear agenda of its own, and this emerged around the sectoral interests of its members. Without such a growth in institutional capacity, there is a real danger that good governance, within its emphasis on stakeholder inclusion, will lead to fragmentation and repeated disputes between divided interests.

The papers also demonstrate the value of new kinds of engagement with government. The federations of the urban poor in Cambodia, Kenya and the Philippines use strategies such as community enumeration and surveys to draw in local authorities. By offering the authorities information that they don't have, citizen groups immediately start to shift the balance of power within this relationship. As a more equal partnership begins, both groups explore new ways of working together. There are numerous possibilities, as these papers illustrate. In Kenya, for example, Jane Weru describes the activities that have resulted in Nairobi City Council releasing the land on which one of the settlements is located, therefore opening the way for greater security of tenure for both tenants and structure owners.

The process described by the Asian Coalition for Housing Rights in Cambodia illustrates a further step for such institutional development. In this case, the municipality was already engaged with local social movements in jointly operating a fund, together with the Solidarity for the Urban Poor Federations, the municipality and local NGOs. The fund was collaboratively managed, and the authors describe how the confidence gained through its operation became an important factor leading to the engagement of the municipality in a more ambitious and complex programme of strategic planning for the city. The practicalities involved in co-management themselves deepened the nature of the relationship, enabling broad-based support for a jointly planned city strategy.

Collaboration in a space in which power is more equally divided appears to be important in enabling some of the benefits to emerge. Sandra Yu and Anna Marie Karaos note that tri-party resettlement agreements have helped to provide a basis for new forms of relationship that they hope will lead to further state support for community activities. The federation in the Philippines seeks to engage municipalities in their activities at an early stage, for example in community surveys to identify the numbers living in high-risk areas and their preferences for improved housing. In some cases, the local government simply recognizes the survey is about to take place and promises to accept the results. In others, they are willing to be more actively involved. At the same time, existing government institutions, in this case local development councils, are not dismissed. Through the more active involvement of civil society, existing mechanisms that have not achieved notable

success can be renewed and invigorated, providing the basis for new kinds of institutions.

It is through such activities and institutional developments that new groups may become involved in the processes of development. Cabannes notes that one of the challenges for the participatory budgeting process is the extent to which it reaches out to groups that have traditionally been excluded from development processes; a challenge successfully addressed in some of the examples considered.

As Gaventa⁽⁵⁾ has argued, there have been attempts to increase voice (inclusion, consultation and mobilization) and to increase the accountability and responsiveness of the state. Both strategies are represented here, with particular emphasis being given to the former, as measures concerned solely with the latter often engage with individuals rather than collective interest groups. Cavill and Sohail's paper points out the paucity of such strategies for accountability, if they are to draw in those groups which have the lowest incomes and are often socially excluded. However, this issue also presents discussions of a re-division of responsibilities, with the development of co-managed processes and institutions that enable more decentralized and localized decision-making, with greater equality between the groups involved.

V. FEEDBACK

TWO OF THE papers in Feedback are about participation and governance, but for particular projects or settlements. The paper by Heike Glöckner, Meki Mkanga and Timothy Ndezi describes the planning and implementation of a community enumeration and mapping programme in five low-income settlements in Dar es Salaam, and how it was used. This could be seen as one building block towards participatory governance, as this helped establish links between these communities and government agencies, and stimulated local action to address some of the problems identified. The paper by Jimmy Tindigarukayo describes a government programme in Jamaica that was meant to help low-income households acquire land for housing, or to regularize the tenure of land they already occupied. But it demanded a level of community organization and financial contribution from low-income households that was difficult to meet, and changes would be needed if the squatters were to be empowered.

Daphne Frank's paper describes a successful

housing finance programme in Ecuador, through which low-income families receive technical and financial support to improve their housing. This has reached 25,000 families in its first four years and has shown the potential for successful cooperation between the private building sector, financial institutions and government. The paper by Haydea Izazola examines migratory flows in and out of Mexico City between 1995 and 2000, showing that migratory processes are dynamic and complex, responding to a range of economic, environmental, social, cultural and political factors at both origins and destinations.

NOTES AND REFERENCES

1. Gaventa, John (2001), "Participatory local governance: six propositions for development", IDS, paper presented to the Ford Foundation, LOGO Program Officers' Retreat, June.
2. Putnam, Robert (1993), *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press, Princeton, NJ.
3. Schneider uses the term "participatory governance" somewhat differently, to refer to good governance as part of the participatory agenda (i.e. that governance should involve participation). He argues that good governance is participatory, in that it should include all relevant stakeholders taking part in joint decision-making; see Schneider, Hartmut (1999), "Participatory governance for poverty reduction", *Journal for International Development* Vol 11, pages 521–534. Gaventa also discusses participatory governance (with a local emphasis) in the context of extending participation beyond the social sphere into the political arena; see reference 1.
4. Mulenga, Dr Mark C and Pr. Alain Dubresson (editors) (2001), "International symposium on government, governance and urban territories in Southern Africa", University of Zambia, Lusaka 21–22 November, University of Paris X. A copy of this may be obtained from Professor Dubresson: e-mail him at Alain.dubresson@u-paris10.fr
5. See reference 1.

ACKNOWLEDGEMENTS

The editorial team is grateful to Pascale Hofmann and Manjusha Rai for help in preparing Book Notes and Corwen McCutcheon for proofreading.