

Subtheme

Governance of Megacities in Federal Orders

Work Session 12: How is Governance
and Service Delivery Organized
in Megacities?

Work Session 24: What Forms has
Governance of National Capital
Regions Taken?

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1. Introduction

The term “governance” refers to the institutional structures and mechanisms of government on the one hand and to the patterns of relationships between citizens (and organized groups) and policy makers (both officials and politicians) on the other hand. The use of the term is growing because complex and rapidly changing societies are witnessing a new interpenetration between the state and civil society. State actors need information and help in policy implementation, and for these contributions from social actors they exchange some access to participation in policy formation. Citizens experiencing rapid change make new demands about how state resources should be deployed, and now have democratic expectations about being

able to influence decisions. In the Work Sessions on which this paper is based, participants focused on both aspects of governance, concentrating on structures and mechanisms in the case of capital cities and issues about democratic participation in the case of megacities.

2. Capital Cities

The position of national capitals is always peculiar, and it is especially complex in federations. The cases of Berlin, Brasilia, Buenos Aires, Delhi and Mexico City raise many institutional issues, especially concerning autonomy, finance and politics.

2.1 *Autonomy*

National governments have a strong interest in national capitals. Perhaps the first preoccupation is security, for both domestic politicians and state visitors. As well, capitals have concentrations of cultural facilities and institutions. Federal governments are interested in these cities as embodiments of the nation, projecting an image of the country onto the international stage and reflecting it to the whole citizenry. Hence the common refusal of the view that capitals should be developed and maintained as their inhabitants alone desire. Federal governments exert substantial control over capitals, imposing prescriptions and proscriptions under which local politicians and citizens sometimes chafe.

For a long time, Buenos Aires, the metropole of Argentina, was under direct central-government control. The national president was head of the federal capital, appointing the mayor, and the national legislature also functioned as the decision-making body for the city. Under the 1994 constitutional decentralization, the principle of municipal autonomy was recognized, and Buenos Aires was endowed with special autonomy. Its 1996 constitution provided that all municipal legislators be elected, and the autonomous city is now a component of the federal system, though it lacks the full powers of the 23 states.

Until reforms in 1997, Mexico City had no elected representatives, and the mayor was appointed by the federal government. The reforms did not, however, include a municipal constitution

or charter, and the city still has only limited powers over its finances, including borrowing. There is no formalized special relationship with the federal government, but the Republic has substantial control in some areas, appointing the chief of police most notably. There is also a committee concerned with Mexico City in each chamber of the national legislature.

Delhi has a remarkably complex administrative structure. It is a National Capital Territory, and there is also a much larger National Capital Region. There is a state-like assembly for the Territory, with 70 elected representatives, a chief minister and cabinet, and also a municipal corporation with a mayor and 273 councillors who represent about 14 million citizens. (There is also a Cantonment Area, where 3 per cent of the total population is essentially governed by the military.) The assembly falls under the Urban Development Ministry and also the Home Ministry, with the Delhi Police Commission being responsible to the latter. More important, the central government appoints the lieutenant governor, who has considerable control over the devolved policy areas of education, health and social services. The governor is also head of the Delhi Development Authority, which has extensive land holdings, is charged with designing a 20-year plan for the region, and has full authority over all planning and zoning. So the system is very complex: one participant noted that this is essentially a hold-over from the Raj culture—a system in which “no one person can say yes to anything, but many people can say no”. While the Centre may not always achieve its positive goals, it certainly has the edge in being able to say no.

Brasilia is very different. It is a National Capital Region, but also a Brazilian state, and it is administered as such by a governor and a governing council that has 80 elected representatives. Berlin is in a similarly strong position. As one of 16 German *Länder*, it has full state powers, including important representation in the *Bundesrat*, the Upper House, and the mayor is the head of government of the state of Berlin. In both these cases, though, the national government has played an important role in shaping the development and functioning of the city.

Most concern in these capitals is about relations with the national government, but there are also issues with neighbouring

authorities. Berlin is surrounded by the state of Brandenburg, and there are major spillover effects and coordination problems. In Mexico City, there are 8.5 million inhabitants, but another 22.5 million live in the metropolitan area. Buenos Aires has 3 million citizens, but another 10 million are in 40 other metropolitan municipalities: here the problems of planning and coordination are so severe that serious proposals have been made to move the national government out of the city to a new capital.

It should be noted that there was no discussion of clashes between federal governments and subnational governments over these cities, because none exists as a municipality in a strongly decentralized federation such as Switzerland or Canada. When this occurs, tensions can be strong, as was noted long ago: “if the national capital of a federal union comes under the government of any one state of the union, that state is in a position to dominate the federation’s capital, and the central government does not have control over its own seat of government” (Rowat, 1974: xi). The federal governments discussed here do not face this dilemma.

2.2 *Finances*

The financial position of capitals in federations seems closely linked to their degree of autonomy. Berlin is in a fiscal crisis, as high unemployment rates and expensive social welfare costs led to a heavy debt load. The problems were exacerbated by the sudden end of the massive subsidies paid to the former West Berlin in order to maintain population there under difficult conditions, and by the particularly heavy cost of reunification of the divided city. As a state, Berlin benefits from the German equalization system, and from the stabilization fund that helps with reunification costs. As the capital, there are also special contracts with the federal government, though these are only sporadic and for particular purposes (security, culture and urban development). The city’s rather desperate case for special funds was denied by the Federal Constitutional Court, which insisted first on austerity.

At the other extreme are Mexico City, source of 25 per cent of the nation’s GDP, which benefits importantly from special-purpose

transfers, and Brasilia, where municipal salaries and big new infrastructure projects are the envy of other Brazilian municipalities. The governments of Delhi deal with complex administration and the heavy hand of the Centre, but receive generous federal funding to complement the strong municipal tax base. In general, and perhaps reasonably, it seems that higher levels of autonomy are associated with less financial support from national governments.

2.3 Politics

There are always tensions between a federal government with its national and international concerns and municipal or city state governments that aim for particular patterns of development and have their own priorities in service delivery. These tensions sharpen when governments are of different partisan complexions, and there is no doubt that relations are smoother when partisanship is common. In Delhi, for example, there was considerable friction when the Congress party controlled the federal government and the city politicians were led by the centre-right, and this added to the *immobilisme* caused by administrative complexity. The same has been true of Mexico City, where partisan conflict can lead—at least—to a lack of communications across the levels of government. Officials can bridge these gaps to some degree, but accords at the political level are essential: intergovernmental relations require trust, and partisan differences can make this hard to develop.

The other political issue raised concerns democratic participation. Demands and grievances assault all municipal administrations, and it is a truism that not all can be satisfied. But handling these popular pressures is harder for local politicians when their possible responses are constrained by federal-government policies; as well, citizens may blame municipal leaders for initiatives and problems when the federal government is really responsible. The Chief Minister of Delhi has organized a Participation Movement in part to educate citizens about the responsibilities of various orders of government. But this movement has other purposes, which lead to the broader issues about democratic governance discussed in Work Session 12.

3. Governance in Megacities

A megacity is an urban agglomeration with a population greater than 10,000,000. Not long ago, only New York qualified as a megacity, but there are 22 in the world at present. In the developing South, their growth has been explosive. Delhi, for example, had 350,000 inhabitants at the time of Partition, 16,000,000 at present, and a projected 23,000,000 by the year 2021. In democracies, it is not possible to control in-migration, yet growth creates huge pressures on the demand side for services, and governments must struggle to cope with housing shortages, squatters, and poor air quality, while providing ever more public transport, waste disposal, potable water, and electricity.

The case for financial support seems compelling. First, megacities such as Mumbai and Tokyo are “national cities”. They, rather than the subnational units in which they are located, are known around the world as flagships of their nations. As well, they bear the burden of rapid and massive in-migration from all parts of the country, so there is a national obligation to them. Further, they are engines of economic growth, generating tax revenues for other levels of government. So arguably national and subnational governments should devolve fiscal resources and provide transfer payments, or else megacities should be included in national systems of transfers to subnational units.

But there are counter-arguments. Internal migration is creating pressure not only on megacities but also on small and medium-sized urban centres. Second, most megacities have a robust property tax base relative to villages and rural areas, and most receive special support from subnational and national governments, particularly for infrastructure. Last is the argument that in principle there should not be a direct relationship between the revenues raised in the city and funds transferred to the city; in other words, cross-subsidization should remain a policy option for national and subnational governments.

While each megacity has peculiar institutional structures, there are several common governance issues, which centrally involve the relationship between rational planning and democratic participation. It is essential to build local capacity in these megacities; that is to put in place modern, efficient, technically competent bureau-

cracies to plan and deliver services. In huge metropolitan regions, under conditions of explosive growth, it seems that regional authorities are needed for the “scientific planning” of public transit, highways, electrical grids and water systems, and for acquiring agricultural land and laying out new settlement areas. But such authorities generally have only weak democratic legitimacy, and problems arise when their schemes conflict with the plans of local-level authorities and the wishes of local citizens. In several megacities, for instance, efforts to widen roads and to absorb agricultural land have caused sharp political controversies.

There is a lot of superficial agreement about the desirability of democratic involvement in politics at the grassroots level. In Delhi, for instance, there are neighbourhood associations, which allow for more involvement than is possible in a city where there are about 60,000 people for every municipal councillor. As well, local participation in planning can, in theory, bring substantive information—the “ground realities”—to bear on macro-plans, and so improve them by adapting them. There is some disagreement about whether local organizations should operate by consensus or have elected leaders, and more debate about their optimal size. But the real problem concerns conflicts between localized planning efforts and regional macro-plans. Many agree there is a need for some sort of local, democratic “empowerment”. But others worry that the involvement of ordinary citizens simply generates opposition to plans and results in a “list of demands”.

The debate can be illuminated by distinguishing two aspects of democratic participation (Pateman, 1970). The first is “instrumental participation”. Here, those taking part in some deliberative process are seeking certain ends. Participation is a means to those ends. So citizens make speeches in meetings or press their representatives to achieve goals like getting electrical service or a bus route or stopping a road from being widened. Those who advocate “empowerment” want citizens to have the power to achieve their objectives through democratic processes, while those who are apprehensive about broad public participation fear that ill-informed engagement will produce a mere list of demands or, if successful, will distort or impede the changes that are necessary for orderly development and the rational provision of infrastructure and services.

But political theorists maintain that participation has a “developmental” quality. By engaging in political discussion, citizens acquire more information about the issues at stake and come to understand their complexity: they learn the rationale for policies. They also come to appreciate that there are other views and needs than their own, some of which may be sensible and legitimate. Quite profoundly, through engagement, citizens learn about the processes of democratic decision making—the need to compromise and to sometimes accept that their particular goals must be abandoned for the common good. And this is why some of the Work Session participants favoured engaging the citizenry, not just to listen to them but to “bring about changes in citizen behaviour”.

Clearly there is a tension between instrumental and developmental participation. Developmental learning can take some time, and some citizens can be quite intransigent (especially when partisan politics are involved). There are also imbalances in power and resources between the authorities and citizens and among different groups of citizens. Problems of scale bedevil attempts to promote democratic engagement, and dialogue across levels of government can be complex and difficult.

These dilemmas exist in any democratic governance process in villages, towns, provinces and nations. However, the instrumental/developmental tension in political participation and its impacts on planning are particularly acute in megacities, because of the sheer numbers of new migrants, the difficult conditions of life, the heavy demands for services and infrastructure, the desperately scarce resources, and the deep gulf between citizens and expert administrators that politicians must bridge. Hence, questions about public participation infused much of the broad-ranging discussion in the Work Session that focused on governance and service delivery in megacities.

References

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- Rowat, Donald C. (1974), “Introduction” in Rowat, Donald C., ed., *The Government of Federal Capitals*, University of Toronto Press, Toronto, pp. xi-xv.