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NO. 162/60

From master plans to  
city development  
strategies

Nigel Harris

## DPU60 Reflections working paper series

In 2014 the DPU celebrates 60 years of education, training, research, consultancy and knowledge sharing in urban and regional development policy and planning in Africa, Asia, Latin America and the Middle East. DPU's focus on urban development and planning in what is now often referred to as 'the global south' was unique in the UK and abroad at the time of its establishment at the Architectural Association in 1954, as well as when it moved in 1971 from the AA to UCL. DPU colleagues then actively contributed to a dynamic post-colonial history of development debates, planning practices and planning education, helping to forge alternative, socially just innovations in the emergent field of urban development planning. It is the legacy of this unique urban agenda that the DPU60 Reflections Working Papers Series seeks to collate. The series has been developed in partnership with DPU-Associates, a network which brings together former DPU colleagues who maintain a close relationship with current DPU teaching, research and consultancy. In line with the overarching theme of the DPU60 Anniversary celebrations – Looking Back, Looking Forward – the series seeks to cover a range of topics that have been and continue to be central to the DPU's work, from the vantage point of some of the key historical actors in the debate.

Caren Levy and Barbara Lipietz  
London, June 2014

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# From master plans to city development strategies

**Nigel Harris**

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## **Abstract**

Up to the twentieth century, city self-government and self-financing was historically the norm. Then both a major slump and two world wars impelled in Europe the centralization of government powers in national States. It was this degree of centralization which was inherited by the former colonial dependencies, the newly independent countries, in the 1950s and 1960s. Those countries faced unprecedented levels of urbanisation and unmanageable concentrations of population. This led governments and aid agencies to emphasize rural development (to discourage out-migration to the cities), population redistribution and industrial decentralization.

However, a different tradition stressed the economic importance of raising productivity through the concentration of population and resources, propelling rather than restricting economic development. This approach was much more common in north and South America, and received some recognition in some postwar city planning efforts in developing countries (notably in Calcutta, 1966). However, what forced this approach to become the norm in the big cities of the developed countries was the deindustrialization of the 1970s and 1980s and economic globalization, forcing city planners to develop innovative approaches to high unemployment and urban and industrial dereliction.

The DPU began graduate programmes and consultancies

in city economic management from the 1970s, and was instrumental in persuading the British aid ministry to revise its exclusive stress on rural development, leading to the Koenigsberger mission to India to advise on aid to urban India (1979). By the end of the 1980s, numerous forces were pushing the aid agenda in new directions, culminating in new policy agendas at the same time by the World Bank and UNDP, and the second UN Conference on Human Settlements (Istanbul, 1996). A new partnership was set up between the World Bank and UNHCS (Habitat) to define the terms of both the new City Development Strategies and a new attack on city slums and squatter settlements, both aims then being folded into a new – and vastly much better-funded – coalition of aid donors and other relevant organisations, the Cities Alliance.

City Development Strategies spread with great speed, particularly when the Japanese government undertook to finance the upscaling in Asia. When, in 2002, an initial assessment was undertaken, it was clear a number of difficulties were becoming apparent so that production of an old style plan had sometimes superseded the long-term institutional reform implied in the new policy. Furthermore, parallel measures to decentralise central government powers to the cities, without which city development strategies could not be fully exploited, had been much less consistent.



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## Preface

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I am unusually conscious of the inadequacies of this account. It is, in the main, non-academic, extracted from my far from perfect memory (and therefore covers not the whole topic but only those fragments with which I was involved or at least came across) and rarely supported by proper references. Nor am I confident that I have recorded the correct sequence of events in the story: my apologies.

I owe a great debt of gratitude to Tim Campbell (Urban Age and former World Bank Urban Department), and Peter Townroe (formerly East Anglia and Sheffield Hallam Universities) for the careful reading of earlier drafts and copious suggestions to improve the text. Errors remaining are exclusively my own.

*“Economies are too important to be left to economists and cities too important to be left to architect-planners”*

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# 1. Introduction

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Historically cities have usually been responsible for their own economic destinies. City authorities built the walls and gates to protect their citizens, built the means to supply water and dispose of wastes, developed city markets (and regulation), merchant lodgings, ports and some land routes, and erected the grand city monuments (government centres and temples) to embody architecturally the power and prestige of the city. A world economy, created long before present times, was a world of interacting cities, not countries (which had mostly yet to be invented). The political autonomy of cities, their self-management, may not always have been equal to that of city-States – in ancient Greece or medieval Italy - but they constituted the fundamental components of world, imperial and regional economies.

The rise of the modern State increasingly smothered urban self-government. Yet even in the nineteenth century in Britain when this process was being initiated, the degree of economic autonomy was still often substantial. In Britain, for example, the Chamberlain dynasty (of established fame in the engineering industry) redeveloped the centre of its home town, Birmingham, as a mark of its status. New industrial cities elsewhere boasted their new-found economic pre-eminence with splendid town halls (sometimes bankrupting both architect and building company), universities and railway stations. The entrepreneurial city was vigorously alive.

In the nineteenth century colonial empires of the European powers, it was cosmopolitan cities of extraordinary size that constituted a global imperial economy – Alexandria, Bombay, Singapore, Hong Kong Shanghai, Lagos, and Buenos Aires. The city borrowed on foreign banks to forge linkages to other cities and penetrate hinterlands – as Bombay drove the first road up the Ghats to the Deccan interior of India, the first railway to connect the city and the Gangetic basin (Thorner, 1950), the first steamship and postal/telegraph service to London, and the first electricity generating and public transport service in India (Bombay Electricity Supply and Transport company, BEST) – all with spectacular public buildings (City Hall, the Post Office, the university, Victoria station etc.).

All this changed with the coming of the modern national

State, engulfing the city in much larger political territories, whether the State emerged slowly (as in Europe) or more suddenly, with the break up of empire and the creation of newly independent countries. But even in Europe, the political subordination of cities to central power came quite quickly in the twentieth century when the greatest centralization of national power occurred, driven both by a response to the Great Depression of the interwar years and the exigencies of two world wars. The centralization of State power in the European war economies was extreme, subordinating virtually all other institutions, both within and outside government - even if it did not match everywhere the scale of that concentration in the Soviet Union and Nazi Germany. Of the great powers, only the United States was able partially to escape what seemed to be an inexorable trend to centralization in modern society.

The conception of an overwhelmingly dominant territorial State where political sovereignty carried with it complete power over the domestic economy (and hence the power to transform it) was inherited by the newly independent States created out of the former colonial empires between the late 1940s and the 1960s. Sometimes economic backwardness had been attributed exclusively to the negative economic impact of empire, so it was expected that decolonisation would almost automatically produce economic growth. Hence, once liberated from the shackles of empire, it was assumed the new States would have unlimited power to “develop” the domestic economy and lift the incomes of its impoverished inhabitants. The new governments were almost universally “socialist” (that is, State dominated), and it was taken for granted that central superseded both local government and any local ability to fashion a separate economic strategy. City government was reduced to providing local services, some housing and health-care, and sometimes, education. Since these were usually funded from central government, city government was often reduced to being little more than a spending arm of the centre.

Again, there was often an unspoken military rationale: centralization was necessary to build the military power of the new State to resist a return of empire and safeguard often arbitrary external borders.



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## 2. The postwar urban agenda

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In the 1950s when the nucleus of what was to become the Development Planning Unit was being fashioned, opinion that concerned itself with the “underdeveloped countries”<sup>1</sup> was powerfully shaped by a series of international reports describing the rapid (and implied in some cases, rapidly accelerating) population growth of those countries, the supposed maldistribution of populations, and rapid rural-urban migration, leading to what seemed to be unprecedented and unmanageable concentrations of urban population. Demography and public order, not poverty, were the sources of potential catastrophe and hence the target of policy.

The climate of opinion at the time was, as it had been in Europe in the nineteenth century hostile to rapid urbanisation – the respectable citizens were outraged at the destruction of their well-ordered urban environment by swarms of rural poor<sup>2</sup>; foreign experts were alarmed at what was seen as a population tsunami<sup>3</sup>, with the poor sucking the cities dry without, it was alleged, making any economic contribution. In India, a National Commission on Urbanisation, as late as 1988, pronounced: “The urban centres... should be generators of wealth; instead, they have degenerated into parasites, looking elsewhere for support” (National Commission on Urbanisation, 1988).

Many more sophisticated elaborations of the idea that cities exploited the countryside were produced in later years – not least, in Michael Lipton's (1977) influential *Why the poor stay poor: urban bias in world development*, or the earlier concept of “over-urbanization” in Hoselitz (1962).. And in terms of the distribution of scarce public revenues, the case had a superficial plausibility – urban and other infrastructure took the lion's share.

The policy implication of the anti-urban case was an almost exclusive emphasis on the priority of rural development. Once established, it was a long painful process of argument to persuade aid donors, for example, of the national economic benefits of making the cities work. In the DPU, the commitment to cities was never questioned, and this gave it, from early on a distinctive, if for the moment, unpopular, orientation.

If the fashionable diagnosis of economic backwardness had been sound (which it was not), the remedies

seemed so self-evident, and they were beyond dispute, on two levels:

### I. National population planning

1. Birth control to stop rapid population growth;
2. Population redistribution from crowded regions (e.g. cities) to less densely inhabited areas; it became an almost universal population policy to seek to decentralize or disperse population away from the large cities, as common in developed as developing countries.
3. More directly, ending migration to the cities either directly with police power (resident permits, movement control etc.) or by diverting “migrant streams” to less crowded destinations. In some cases, police controls were operative at city access points (bus and train stations) and in periodic checks in poor quarters of the city to apprehend and expel illegal migrants. Police controls in China were part of a complex of measures to enforce immobilization on the rural poor (exit and movement controls, non-transferable food ration cards, and the so-called hukou system).

Since it was assumed that the concentration of manufacturing industry in cities was the main factor in attracting migrants, policies of industrial decentralization appeared complementary to the population policies. Rural development would then hold the rural population in place.

### II. Local planning

City Master Plans were to impose order on the city by enforcing land use controls (and population density standards) and zoning. Order, urban design and public health measures were the responses to the problems of entrenched poverty, hunger and ill-health.

It would take this account too far away from its central theme to assess this policy package. Suffice it to say that, not even in China (with a draconian complex of policies, including both direction of labour and expulsion of population from cities), can there be any confidence that policy affected the rate of urbanisation. More obvious were the perverse effects of birth control policies – as with the high female foetus death rate in China (and India), or the accelerated ageing of the Chinese pop-

ulation with the one-child policy. In any case, population growth rates were already falling (pressed by the remarkably improved rates of infant survival, improved maternal literacy and age of parturition, and health care).

In terms of population redistribution, the more ambitious the policy aims, the less effective; people proved remarkably resistant to moving to thinly populated areas precisely because thin population indicated the low economic potential to support population.

Decentralization as a policy objective, proved resistant to change<sup>4</sup>, even though the costs to business and the exchequer, of relocation to poorly serviced areas were not insignificant. Even in Britain where population and industrial decentralisation were additionally justified by the need to disperse targets to escape destruction from mass bombing, and with more resources to devote to the issue, the results, in terms of population redistribution, were never significant (Hall, 1973a; 1973b). The more nimble businesses specialized in skipping from one locality to another to benefit from changing regional incentives. In the early 1970s, as the policy emphasis shifted to strengthening the existing city economies to

enhance national economic growth (and offset deindustrialization), there was a risible moment of government confusion when incentives to business were being offered both to relocate out of London and, at the same time, to locate in the metropolis.

As to Master planning, it rarely had much chance in developing countries where the administrative framework was weak and often corrupt. This need not have had as extreme consequences as are said to have occurred in Mumbai in 1992 where districts were said to have been cleared by firing and communal riots, instigated by criminal dons to open up areas to speculative development. Almost everywhere, land use controls were both a great source of corruption and of income for cash-strapped local government.

The demographic case which underlay the population policies of decentralisation ignored the powerful economic forces underpinning urbanisation – both the agglomeration economies which made cities the cheapest and most productive location for new business and, for the migrant, the place where employment was easiest to obtain.

## NOTES TO CHAPTER 2

1. Or then the “economically backward countries”; when this was thought discourteous, “the developing countries” appeared (aka, the more political, “the Third World”, contrasted with the capitalist first world, and the socialist second world of the then-Soviet Bloc). Later, the more neutral “Global South” gained some traction, before disintegrating in the “newly industrializing (or emerging) countries”, the BRICs (Brazil, Russia, India, China, South Africa), and various regional formations (Asean, Mercosur, Nafta etc.).

2. Summarized by the then-Chairman of the London County

Council, Lord Roseberry, in March 1891: “Sixty years ago, a great Englishman, Cobbett, called it (London, NH) a 'wen'. If it was a wen then, what is it now? A tumour, an elephantiasis, sucking into its gorged system, half the life and the blood and the bones of the rural districts” (Foley, 1963).

3. Apocryphal was the anecdote told of a foreign consultant to the Kenyan government who alleged there could be no progress in the country without the liquidation of Nairobi to liberate economically the rural population.

4. For more detail, see Harris (1990).

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### 3. The alternative case

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The United State was not subject to the debilitating centralization of political authority (so far as cities were concerned) that engulfed the war economies of Europe (and was subsequently inherited by the former colonies of European empires). Some measure of centralization occurred – in the New Deal of the 1930s, and in the wartime organisation of national production – but the political autonomy of the States of the Union and, to a lesser extent, the cities, survived intact. It is therefore not surprising that the first postwar works to identify the peculiar economic attributes of the city should have been written in New York by the justly famous Jane Jacobs (1961; 1969). Nor was it surprising that the most comprehensive economic study of a city, up to that time, was presented in the nine volumes of Raymond Vernon's groundbreaking survey of the New York Metropolitan Region<sup>5</sup> (Vernon, 1960a). Ten years later, a more narrowly focussed – but also innovative – study of London's financial quarter was published (Dunning and Morgan, 1971).

Perhaps someone in Delhi in 1960 caught the idea of New York since the Government of India's Planning Commission commissioned a series of economic studies of India's major cities (Lakdawala, 1963). While a welcome start, it did not lead to a consistent new direction – in the third Five Year Plan, the Government offered to fund plans for all India's 100,000 population cities; these might be described by the newly fashionable term “Development Plans”, but most were in substance old fashioned Master Plans. Only one broke the mould, the Calcutta Basic Development Plan of 1966, a project conceived as breaking the old order of a planning devoted to spatial design and control, in order to focus on the enhancement of Calcutta's economy. It depended on extensive research by a team involving many foreign as well as local experts (including Colin Rosser, later director of the DPU). The Calcutta Metropolitan Planning Organisation was funded under the Ford Foundation's major India programme. The core of the plan was an analysis of the city's engineering industry in order to identify the means to strengthen and enlarge it (but including all the other required elements – transport, infrastructure, housing etc.)<sup>6</sup>.

Other plans also endeavored to shift the central focus of physical planning – for example, the Master Plan for Karachi was supposedly focussed on the amelioration of poverty. But in general, the opportunity to rethink what

was the central point of the city was missed, and “planning” tended to slide back into what was known in the English-speaking world as town and country planning, usually a branch of architecture, in pursuit of the “City Beautiful”, not the city as economic dynamo.

In sum then, the alternative case viewed the management and planning of cities not as means to combat terrifying problems, but great opportunities for the reduction of poverty both in the city itself and in the country at large. But to exploit the opportunities, one had to know the city, what its citizens did and how this could be facilitated to raise their productivity rather than to see the city as a monster to be tamed. Few of the people running or planning cities saw it as an object to be researched; for them the city and its problems were brutally self-evident. It was here the DPU (with migrants in Lusaka) and I (in Bombay) started.

In 1967 I agreed to create and direct at the former Centre for Urban Studies at University College London a new graduate training programme (funded by British aid) for what was expected to be mainly government officers from developing countries on Urbanization in Developing Countries. From there I moved on to undertake research at Oxford University – for the then-Ministry of Overseas Development - on the territorial economy of Bombay (Harris, 1978) as a critique of the Bombay Development Plan of 1964 and the subsequent Regional Plan for Greater Bombay.

However, in the 1970s and 80s, in Europe and North America, the overall picture of the Master planning tradition was being transformed by two interrelated processes affecting the so-called industrialized world – deindustrialization and the source of that process in economic globalisation. After three decades of sustained growth in manufacturing in the postwar period, industrial cities in Europe and North America faced a severe down turn and the long-term relocation of world manufacturing from the Atlantic area ultimately to east and south-east Asia and Latin America. Suddenly, the major cities in developed countries faced both high long-term unemployment and urban dereliction in inner city and industrial areas. Now the planning departments of major cities were painfully confronted with the supreme irrelevance of the old Master planning approach in the face of mass unemployment and inner city decay. The planners were obliged to turn themselves into city economists to seek

the means to restore prosperity and employment to their cities. The stage was set for the rediscovery of the entrepreneurial city.

In the United States, this conversion was most dramatic and, in time, major industrial cities – Pittsburg, Cleveland, Boston, New York, etc. – found new economic roles, now in services rather than manufacturing, and through relating to a newly emerging global economy, rather than just national markets. Only Detroit, the star performer in the postwar growth of the car industry, missed out on the recovery process and fell further and further into slump, becoming, to use Lant Pritchard's (2004) terminology, a “zombie city” with a labour force constantly larger than the available capacity to employ.

The reconsideration of urbanisation and the reorientation of city management was reflected in some of the deliberations of the United Nations 1976 Vancouver conference, leading up to the creation of a new UN agency, the UN Commission on Human Settlements (Habitat), with its headquarters in Nairobi. A close associate of the DPU, Cho Padamsee was deputy director of the preparatory work for the Vancouver conference at the UN headquarters in New York, and Otto Koenigsberger nominated me to prepare one of the policy papers on the economic significance of cities (Harris, 1976).

As the DPU began its training and consultancy work in developing countries, it included a component on the economic management of cities – first, as short courses on city economic management in developing countries, then a postgraduate diploma course, finally as a Master's programme; structural economic change in large British cities – Sheffield, Liverpool, Manchester, Swansea – were used as field trip case studies. At the same time, the Unit offered doctoral programmes in all fields of urban studies (including, the economic) in developing countries. Participation was supported financially by the then Ministry of Overseas Development and the British Council.

The Unit took the initiative in holding a joint symposium on the theme of the economic role of cities with the then-Ministry of Overseas Development, part of the process of weaning the MOD off an exclusive focus on rural development. Perhaps partly as a result of this, Professor Otto Koenigsberger and the DPU were invited to send a mission to India in 1979 to advise the British aid ministry on aid to urban India (Otto, Colin Rosser and I from the Unit were part of the team) (Harris, 1979a). The Report of the Koenigsberger mission provided the basis for a later report to the Indian Ministry of Works and Housing on the potential for city economic research in India's leading research organizations (Harris, 1979b).

The Unit also offered workshops in developing countries to assist both the reorientation of city management and

the collection or identification of data and analysis to support this change. One of the earliest of these was delivered to the staff of the Madras (now Chennai) Metropolitan Development Authority – including the production of a little compendium of data, a little city statistical yearbook, to help officials overcome their diffidence with statistics<sup>7</sup>. Later on similar workshops or lectures on the city economy were given in many cities - Mexico City, Bogotá, Taipei, Kathmandu, Karachi, Shanghai, etc. In Bombay (now Mumbai), efforts were made, following a public lecture programme sponsored by the British Council, and the Bombay Chamber of Commerce to establish a city research centre or “think tank” with Chamber of Commerce funding, modelled partly on Bogotá's Misión Siglo XXI. However, the project failed after the two senior public officials, with typical myopia declared that Bombay's problem was not lack of research – all that was needed was already known - but lack of action to implement existing plans. The project was converted into Bombay First, a promotional agency for city business<sup>8</sup>. It took another decade or two for the city to get back on track, then hiring consultants rather than the city's intellectual resources to design a city strategy.

Meanwhile, in Europe a process parallel to that in the United States of the self-reorientation of city management occurred, sometimes, but not invariably, with the encouragement of central government – in Birmingham, Sheffield, Manchester, Rotterdam, Lille, Lyons, Dusseldorf, Frankfurt and many others<sup>9</sup>. Barcelona, for example, achieved much distinction in exploiting the opportunity of the 1992 Olympic games (a “festivalisation” strategy) to retool the city after the long years of fascist stagnation, and make it a European centre of logistics, located at an all-European transport junction (combining in close proximity, sea, air, road and rail junctions for rapid transshipment between modes).

As the eighties came to a close, London symbolized the radical reorientation of city planning with a major collaborative study of the city in the context of economic globalization (London Planning Advisory Committee, 1991). At almost the same moment, the French government (and the City of Lille with other sponsors) initiated a world conference in Lille with the unequivocal title, *Cities: the mainspring of economic development in developing countries* (United Towns Organization, 1990). It was followed, four years later by an international conference sponsored by OECD and the Government of Australia, *Cities and the new global economy* (OECD, 1995).

Thus, it seemed the city had been rediscovered, not now as primarily a collection of buildings, housing and traffic flows, but as a generator of local and global economic activity, an abstraction. The rediscovery was fostered in part in developing countries by the establishment in the World Bank of its Urban Division in the early seventies, leading to a number of what were termed “Urban Sector

Surveys”, important contributions to the urban research base, drawing on findings from a large number of countries and cities. Urban issues started being addressed in the routine Bank Country Economic Reports. UNDP also helped finance a number of economic planning exercises.

The new planning approach included several complementary components:

- A new research-based analytical approach to the city, with particular attention paid to declining and rising economic sectors and complementary service sectors, drawing the city into the main stream of economic development;
- A flexible economic vision for the city, oriented on global rather than local or regional markets (hence planning required a perception of matching global opportunities to local resources);
- A new management/political basis for the city, combining (often in a city forum) local and national officials, chambers of commerce, trade unions and NGOs.

The package was not equally represented everywhere, but in sum it constituted a revolution in city management. With the benefit of hindsight, we can see that the change was one response to a restructuring of the world economy, the emergence of a global economy that seemed to supersede national economies (and whose earlier historical precedents had existed before the first World War and the interwar period of State domination).

Latin America which, like the United States, missed the centralization of national economic power which occurred in Europe as the result of the war. In Brazil, under the military regime of the 1960s, influenced by the Italian programmes of regional economic development under the Cassa di Mezzogiorno, powerful metropolitan regional development agencies were set up in the leading cities (EMPLASA for São Paulo). In Colombia, in the 1980s, measures of decentralisation produced unusually strong mayors, and cities and Chambers of Commerce began quite early on to reflect on what was required of their cities to be competitive in a global or a Pacific economy. In Colombia, Medellín, Cali and Bo-

gotá held conferences to assess what should be done in this respect (Hoyos and León, 1990), and Bogotá set up a research agency (Misión Bogotá Siglo XX1, 1992) devoted to the statistical requirements and policy options of the capital's management. Perhaps it was this general Colombian interest which led the World Bank to finance some of the first city studies by the Bank (Mohan, 1986; 1994).

Even in Latin America, it was not invariably the case that the economic role of cities (and therefore the key role of urban management) was accepted. Once when I tried to persuade the Finance director of the Regency of Mexico City of the merit of considering the city's economy, he looked at me in some surprise, saying the position of Regent was only a stepping stone in the hierarchy of the then-dominant political party, the PRI, and had nothing to do with the practical issues of running city or managing its economy.

For cities to assume a leading economic role required reducing the powerful hold of centralized national government, not least in the field of public finance. Economic globalisation had mixed results here – Mitterand's France decentralised radically, but Mrs Thatcher's period in power in Britain led to increased centralisation, with the Prime Minister herself threatening to abolish local government in order to control public expenditure. Rajiv Gandhi, Prime Minister of India, watching the break up of the Soviet Union, identified Moscow's failure to decentralise power as the world globalised as the source of the break up, and determined not to make the same mistake in India. But the politics of the States of the Indian Union defeated him; and he was far from being able to create free-standing city economies.. In China, where the autonomy of local government (both provinces and leading cities) had always been much greater than elsewhere, under the new reform programme of the late seventies, leading cities began to operate almost as city-States; in the case of Shanghai, in direct competition with a real city State. Hong Kong.

By the late 1980s, then, many forces were working in the same direction – international agencies (UNCHS with its Urban Management programme, UNDP, the World Bank, regional banks), national aid agencies (shifting from an almost exclusive emphasis on rural development), and then cities themselves and their associations.

### NOTES TO CHAPTER 3

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**5.** See the “interpretation” in Vernon (1960b).

**6.** In contrast to the then-fashionable demand that cities and urban capital be dispersed in the countryside, “deconcentrated”, the Calcutta plan defied the conventional wisdom: “rapid economic growth, certainly in the short term, may require a yet greater concentration of capital investment and industrial expansion to maximize the growth potential in the Calcutta Metropolitan District” (Calcutta Metropolitan Planning Organization, 1966, p.22).

**7.** Some economic statistics relating to Madras, DPU, Jul/Nov.1981 (mimeogr).

**8.** For the introduction to the Bombay focus, see Harris (1994).

**9.** Liverpool's crisis in the UK was one of the most notorious. Mrs. Thatcher appointed one of her most senior ministers, Michael Heseltine, to be responsible for the city's revival. The Minister journeyed weekly to the city to oversee the reconstruction. The planners had advised that outside investment was not attracted to the city because it was ugly so there was a campaign to beautify the city. The story is told of Heseltine and city officials walking round the city to plant flowers, while behind them, gangs of unemployed youth followed, tearing up the flowers.

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## 4. The New Urban Agenda of the 1990s

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It was at this juncture that two major policy statements were published – the World Bank's (1991) Urban Policy and economic development: an agenda for the 1990s and UNDP's (1991) Cities, people and poverty: urban development co-operation for the 1990s. While the first addressed the basic economic issues, the second was concerned with the parallel social questions. The DPU and the-then Overseas Development Agency (The British aid ministry) thought such an important policy redirection, they invited the two agencies to present their positions to an international workshop held in London (Harris, 1992).

The Bank's case started from the growth in world urbanisation, such that in the immediate future, a majority of the world's population would come to live in cities – and increasingly, the productivity of cities would determine the overall level of economic growth in developing countries. Urban policy needed therefore to go beyond issues of housing and residential infrastructure to address directly the issues of urban productivity and the removal of constraints on its growth. Secondly, poverty was increasingly an urban issue so that policy needed to address the questions surrounding the demand for labour as well as access to basic infrastructure and social services. Thirdly, policy needed to tackle the questions of a deteriorating urban environment that had hitherto been neglected but was decisive in what was later to become known as global warming. Finally, since the decline in urban research in the 1980s, few countries, the Bank alleged, any longer possessed a sound analytical basis for urban policy.

The Bank Urban Development Division, as a first step to developing an approach to preparing City Development Strategies, commissioned a team of us to undertake a pilot study of the Mexican border town, Ciudad Juarez<sup>10</sup>.

In 1996, the United Nations called its second international conference on human settlements in Istanbul. British aid funded the DPU to hold a conference in Mumbai of representatives from cities in developed and developing countries on the experience in implementing the new urban agenda, the papers and proceedings then to be presented to the UN Conference<sup>11</sup>.

Following the Istanbul conference, the World Bank Urban Development Division reached an agreement with United Nations Centre for Human Settlements (Habitat) on working together to upscale both City Development Strategies and slum improvement, a collaboration which ultimately

created the Cities Alliance (the two multilateral agencies, plus seven bilateral donors of the G20, and the Netherlands, Norway, Sweden, a variety of NGOs, local government associations etc.).

Initially, the new Urban Partnership (World-Bank-UNHCS, 1997/8) set out to formulate the terms of reference for City Development strategies, combining a research-based urban economic strategy, programmes of city environmental protection and poverty amelioration, supported and implemented by a new city management (combining official and voluntary organizations, an “urban forum”), with explicit financial programming, summed up in the tags liveability, competitiveness, good governance and bankability. The Partnership also launched a new monthly journal, Urban Age, and began the preparations for the larger coalition of donors that ultimately emerged as the Cities Alliance (launched in May 1999) (Campbell, 2001a).

Important city studies and strategies were also initiated by the Bank – for example, for Haiphong (1999) (at the same time as Australian aid financed a study of Ho Chih Minh City), Recife, Wuhan, and Cali (Campbell, 2001b; World Bank, 2002). The World Bank Institute launched training schemes to assist those preparing City Development Strategies (Freire and Stren, 2001).

Whether it was the leadership of the international agencies or the inexorable logic of economic globalisation – or one of its specific by-products, the transformation of the old Soviet Union and the centrally planned economies (requiring the riggering of all economic institutions), city development strategy studies spread with remarkable speed. Many bilateral donors took up the agenda. Thus USAID commissioned important studies of Kingston, Jamaica and Kigali in Rwanda (combining USAID, UNDP and the World Bank). It also financed a study to present US and European experience in urban economic analysis and management to Warsaw, on the brink of major institutional reform (Harris, 1993). A study of St Petersburg was prepared. Later the Bank itself undertook to assess the progress made in the capital cities of three former Centrally Planned economies (Prague, Budapest, Sofia) as contributions to a Cities panel discussion at the IMF-World Bank meeting in Prague in September 2000.

British aid funded related studies, one of which assessed one of India's poorest cities for the potential to expand

employment (Harris et al., 1996). Germany funded a CDS for Aden. There were many other self-funding city strategy studies, for example, of Johannesburg and Durban. Taiwan funded two studies – of I-Lan county (1993) and Keelung City (1997) (RSP Singapore), and Indonesian sources, Jogjakarta.

However, the most significant push for City Development strategies in Asia came when the Japanese government offered Japan's postwar planning experience, with its planners and funding for a spectacular upscaling of city studies and plans in Asia. In a remarkably short space of

time, this produced a scale and variety of city strategies that made generalisation about what was produced most difficult.

Once begun, the speed with which formulating city strategies spread was quite extraordinary. By the middle of 2001, it was said 50 CDSs had been completed, 46 more were underway, with possibly 150 in all. Of course, it also needs to be noted that the number of cities with one million or more population increased dramatically in these years (1980-2010), testimony to the extraordinary growth in the world's productivity in this period.

#### NOTES TO CHAPTER 4

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**10.** See Dillinger (1992). Juarez later became notorious for violence during the wars between narcotic cartels, showing the fragility of all the good intentions before an ugly reality.

**11.** Subsequently published as Harris and Fabricius (1996). See also, Harris (1996).



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## 5. Assessment

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When, in September 2002, Patrick Wakely and I undertook an assessment of the first three years of the work of the Cities Alliance it was not yet clear what of substance had been achieved, although some of the problems had emerged sharply (Campbell, T., 2001a; Cities Alliance, 2002). Thus, without repeating the detail of the Report itself:

1. The speed of implementation was itself a problem since the stress fell upon producing a product, a plan (even if it was an “Action plan”, not a Master Plan), rather than reshaping the institutional structure of city government, whether to institutionalize economic, poverty and environmental monitoring, or the participatory underpinning of management.
2. There were rarely the skills available in the city to staff the effort, and no time to encourage the development of those skills for permanent strategy-making. Thus the besetting problem of the old city planning exercise re-emerged – a team of planning consultants was despatched to the city, to put together a plan with only rare inputs from the local population and, after completion, even more rare ownership of the plan by the city authorities.
3. In former centrally-planned economies (China, Vietnam, Mongolia), there was often a wealth of local economic data (since the central planning procedures mandated the drawing up of local economic plans) but few civic organisations to make participation meaningful.
4. Some cities gave up on attempting an economic strategy, and then, without a strategy for employment growth, had no programme to attack poverty other than local government delivering traditional services.
5. So far as one could see, elements of the full programme of support institutions, as it occurred in Europe and north America – the stakeholders city forum, public-private city development corporations, municipal economic development departments, and city level statistical and monitoring units – rarely appeared.

Thus, in sum the City Development Strategy appeared to have covered a great variety of products – from old fash-

ioned Master plans (or rather “Action Plans”) to mayoral wish lists, to major analytical exercises. But even when most of the boxes were ticked – as happened in the World Bank CDS mission to Cali in Colombia – a launch in the presence of many stakeholder; a major survey of the poor in poor settlements; a training scheme combining people from the city administration, the chamber of commerce and universities (with a statistical monitoring unit for the surrounding economic Cauca valley economic region) - an unrelated change in the politics of the city could bring to power a new Mayor with his own agenda that did not coincide with Cali's CDS. As so often, the plan remained an illustrious document with sadly little substantive effect on behaviour (at least, at that time). Political stability was a crucial precondition for persisting in CDS.

One of the most striking cases in upscaling occurred in the Philippines, immensely strengthened both by a 1991 Local Government reform that established statutory norms of participation (with recognised NGOs and business organisations) and three Urban Management programmes by Habitat, and a 100 other cities were involved in part or whole<sup>12</sup>. The Philippine cities were stronger in participation and financial programming terms than in analytical/ research or economic strategy terms (hence the proposals to attack poverty tended to be restricted to the provision of traditional services)

Assessment at that time, 2002, was a premature exercise. and since then there has been a decade of experience, learning and revision; perhaps the record is now more positive.

### In retrospect

The World Bank, like all aid agencies, with the greatest scrupulousness, must endeavour to avoid being accused of intervening in the politics of its clients, of not respecting the sovereign rights of the governments with which it deals. Advice is therefore often offered as technical revisions of the choices made – or objectives assumed to be shared - by governments to improve efficiency or effectiveness. The Bank, like the Regional development banks, has become very skilled at this approach.

City Development Strategies were accordingly presented as revisions of style of city management to improve effectiveness and efficiency. But insofar as the effectiveness of CDS depending on central governments conceding

powers, great autonomy, to city government, it certainly did touch directly on domestic political issues. One of the most important factors determining the centralization of State power has been the degree of insecurity the State feels vis-a-vis rival States abroad, as well as local opposition movements. In the twentieth century, as mentioned earlier, the period of two World Wars, the superseding of local authority powers reached unprecedented extremes. Thus, the balance of power between local and national is not simply a matter of technical adjustment but in conditions of grave external threats raises existential questions of the survival of the State. Even more important, big cities provided a political base to rival national political leadership and have to be curbed if the national leadership is to survive.

Would it have helped if the World Bank and other donor agencies had opened lines of credit to cities to finance City Development Strategies? It is possible, although there would have been difficult issues of sovereign debt at stake (and national governments, with shaky finances, would have been loathe to relinquish control). Nor would Bank supervision obviously liberate the entrepreneurial city.

It is not invariably the case that cities remain subordinate. Capital cities, especially in federal States (for example, Washington DC, Delhi, Berlin, Bogota, Moscow) often enjoy levels of autonomy much greater than capitals in unitary States. In China, the largest cities have the constitutional position of provinces, and enjoy the political reality of quasi city-States (as Shanghai from 1990, in its competition with a real city-State, Hong Kong). Even in unitary States, the largest city, playing a global role may bounce against the restrictions of belonging to a larger State. Thus, Boris Johnson, current Mayor of London, might playfully talk of the need for a separate currency for London to guard its global financial role (and its position as safe haven for the world's rich) and offset the vagaries of the management of sterling; in the same spirit, he has talked of having a separate immigration policy for London to supply its labour needs and avoid the xenophobia of national policy<sup>13</sup>.

These observations were much enhanced by three Cities Alliance missions to Iran (2005-2007) to assess the potential for city development studies<sup>14</sup>. Following the terrible decade of the Iran-Iraq war, the national government seemed to have become almost as centralized as the old Soviet Union, and furthermore just as planned (national, sectoral, provincial, regional, city), although it did not appear that such elaborate planning was having significant

effects on behaviour. However, though smaller cities might be relatively weak, Teheran's mayor has almost ministerial status. After a programme of several lectures to national government officers and planners and workshops, and visits to Teheran<sup>15</sup>, my impression was that the city planners were not all persuaded of the merits of the City Alliance proposals, and insisted on the overriding value of the old Master Plan procedure. There, cities were statutorily obliged to prepare a plan at regular intervals and invited planners from Teheran to undertake this task; if this was done, the plan was virtually certain of being sanctioned by the central government. Furthermore, cash-strapped cities were keen to have statutory land use controls in place to sell off to developers as a way of raising funds. It was a cosy arrangement which suited both cities and planners. The planners had little or no interest in incorporating work on the city economy in the scheme. While city administrators – and certainly chambers of commerce – expressed great interest in the city economy, university economics or business/commerce departments often had other agendas of intellectual interest. In the end, despite local enthusiasm, it looked as though only the professional planners were going to be available for the work so the whole purpose of CDS was threatened with nullification.

Was the idea of a City Development Strategy, therefore utopian? Undoubtedly, it was not a formula for all cities at all times and places, and the institutional preparation required to make it work was much more demanding than was allowed for in the original scheme. The speed with which CDS was rolled out did not help – suddenly, many cities were demanding fast action to join the fashion (and while the funding lasted). The language implied a single one-off product, not a continuing process of inputs, of data, of analysis and continual rethinking, covering what is now currently needed in the city and how the external environment is changing, requiring further adjustments in the city. With rapid population and income growth, cities find it difficult to stay ahead of the curve, to cope with current problems while instituting the changes needed to cope with a dynamic context. They are more familiar with this in the Chambers of Commerce than city administrations

However, one can say that at least the issues – the city economy, the nature of city poverty, the city environment, participatory urban management – were put on the agenda of many cities where the management had not hitherto had reason to consider them either individually or in combination.

## NOTES TO CHAPTER 5

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**12.** Comparable to this were the 50 cities in Tamilnad (India) of the World Bank Urban Development Project.

**13.** As a businessman in Mumbai once remarked to me - "If we could only get rid of the deadweight of India, we could duplicate all Singapore's success". In fact, in my 1978 report on Bombay (Mumbai), *Economic Development, Cities and Planning* (Harris, 1978), I recommended that India's big cities were far too important to be governed by local authorities and the surrounding

provincial governments, and should be separated and granted, as in the Chinese case, provincial status. Of course, there was little question of this coming about – the provincial governments would not allow the cities, pork barrels in provincial politics, to slip from their grasp.

**14.** We visited Bandar Abbas in the south, Anzali, Rusht and Qazvin in the north, and, of course, Teheran.

**15.** And subsequent public debate in print – see Harris (2007).

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