

Effective City Management: Planning, Managing Performance, and Community Engagement

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1. Introduction

This paper summarises our presentation at Rwanda's National Forum on Urbanisation in Support of EDPRS2 (Kigali, March 2014). It explores lessons from United States cities regarding the role of planning, performance management, and community engagement in effective urban management.

As 'outsiders' to the Rwandan context, we offer our insights here, as at the Forum, with caution. We met dozens of Rwandan city managers and government partners prior to the Forum, and learned from their Rwandan-specific expertise and experiences. We acknowledge at the outset that the United States and Rwanda are very different places. The US of course enjoys more resources per capita (US GDP/capita is about eighty times higher), and thus local governments operate on a different scale. For example, a city with Kigali's population size in the USA would have twelve to twenty thousand municipal employees, not including staff in schools. US cities are also at a much later stage in their physical development now. And of course they face different economic advantages and disadvantages, different histories, and different political configurations.

But, there are similarities. And, we believe these open the way for fruitful peer-to-peer learning. Urbanisation in the United States is not *very* old. And as it took place, the US faced many of the problems that Kigali faces today. The US saw vast immigration from rural areas (as well as from other countries); those arriving in US cities found poor roads, housing, sanitation, water, and power; we suffered recurring epidemics; and we had to plan to survive.

We use this paper to explore the progress of US cities, the current shape of their local governance, and to draw out lessons they may offer for Rwanda. We offer these not only with caution- due to the differences between the US and Rwandan contexts, but with humility. We are acutely aware that what Rwanda has achieved in the last twenty years and what Rwanda has set as its development goals for the future are extremely impressive. Political leaders and US city managers could learn a lot, as have we, from their Rwandan counterparts.

In this paper, as in our presentation at the Forum, we focus on:

- Background: Power-sharing between layers of government in the United States.
- Managing performance to implement visions.
- Master-planning.
- Citizen engagement.

2. Background: Power-Sharing Between Layers of Government in the United States

Local governments in the USA vary considerably in their institutional forms. The structures of power sharing between local, state, and national government can vary significantly, as well as the organization of the units of city governance themselves. Most states have counties that serve as administrative subdivisions of the state government, as well as independent cities. The structure of local governments can be dictated by state law or set forth in a charter adopted by the people of the jurisdiction, which sets forth the organization of governance – including the balance between the executive and legislative functions. Over the years, the variation of local government entities (both as to form and scale) has proliferated, as people come up with new ideas for addressing current problems.

One thing common to many local governments in the USA, however, is a strong tradition of ‘home rule’. This means that local governments have considerable power over their policy and administration of services. They can raise revenues by setting local taxes and fees, and spend their money as they choose within some basic ‘ground rules’ prescribed by state or federal governments.

This empowerment of local governments is generally considered to be strength, but it has important downsides that cannot be overlooked. A key challenge created by the prevalence and power of local governments is that they can compete amongst each other to attract businesses to their jurisdictions. This competition often manifests in a ‘race to the bottom,’ forcing down tax rates and government revenues among the competitors. While some reduction in taxes may be beneficial for helping businesses expand, making products cheaper, and increasing the efficiency of labour, the balance can tip too far in the favour of businesses and away from local governments and citizens. Certain incentives seem to *move* commercial activity from one local government jurisdiction to another sometimes within the same state, sometimes between states. The effect can be to simply transfer economic activity rather than expand it.

From other perspectives, local governments can seem harmfully disempowered despite traditions of ‘home rule.’ It is not unusual for a state to demand a local government to carry out a new function without the state providing revenue for this activity. This produces political tensions between the layers of government and increases financial pressures on the cities and counties. At other times, a state government will balance its budget by taking money from local government operations and projects. Relationships between layers of government are usually good, but any tensions that do arise can create inefficiency in governance that our cities and counties would operate better without.

Key Policy Lessons:

- Consider the balance of power between layers of governance appropriate for the Rwandan context.
- Manage competition between local authorities, to prevent a ‘race to the bottom’ in tax incentives. Rather than attracting businesses already located in other areas of the country, local authorities should incentivise the creation of *new* businesses, by providing the right combination of good, infrastructures, policies etc.
- Rwanda should take care to prevent the overlapping of local government jurisdictional responsibilities, to assure that each has the capacity to govern and to assure that there is accountability.
- Harmonise targets, funding, and project responsibilities across layers of government so that for any one project, a particular unit has both the responsibility and the means to carry it out.

3. Managing Performance

How should the performance of city leaders be measured and improved? In both the United States and Rwanda, collecting citizen feedback- with results made publically available- is central to performance management. The main difference between such monitoring in the US and that carried out in Rwanda by the Rwandan Governance Board (RGB) is that the decision to monitor and publish results is a local one in the United States, and not a nationally mandated exercise. In the US, some cities choose not to gather citizens’ feedback or publish performance measures and outcomes. From our professional perspective the current Rwandan practice of mandating such transparency is preferable.

Most US city managers monitor performance. The International City/County Management Association (ICMA) has developed standards for comparing government performance and is a resource for best management practices for local governments and supports the sharing of information among local governments to stimulate mutual learning and the spread of best practices. ICMA holds conferences in which these performance results as well as the techniques underlying best practices are exchanged and discussed. Additionally, US local governments have created an organization called the Alliance for Innovation through which member governments share experiences and practices that are successful, and celebrate and support each other's successes.

From such monitoring, sharing, and analysing of performance, several 'best practice' policies for creating and upholding quality urban spaces have been developed and spread: public private partnerships (PPPs, where private firms carry out local government mandates) have improved the availability of affordable homes; inner city areas lacking in recent investment and in a state of decline have been redeveloped to improve the quality and density of the city; local bodies, created by cooperative agreements between local governments and headed by a board of directors independent of local government (comprised of business people and citizens, for example), have taken partial responsibility for cities' economic growth. Such 'best practices' must be adopted adaptively where they are spread, with careful attention to local contexts. But the creation, sharing, and analysis of performance data have been key to the spreading of practical, effective policies to improve US cities.

Key Policy Lessons:

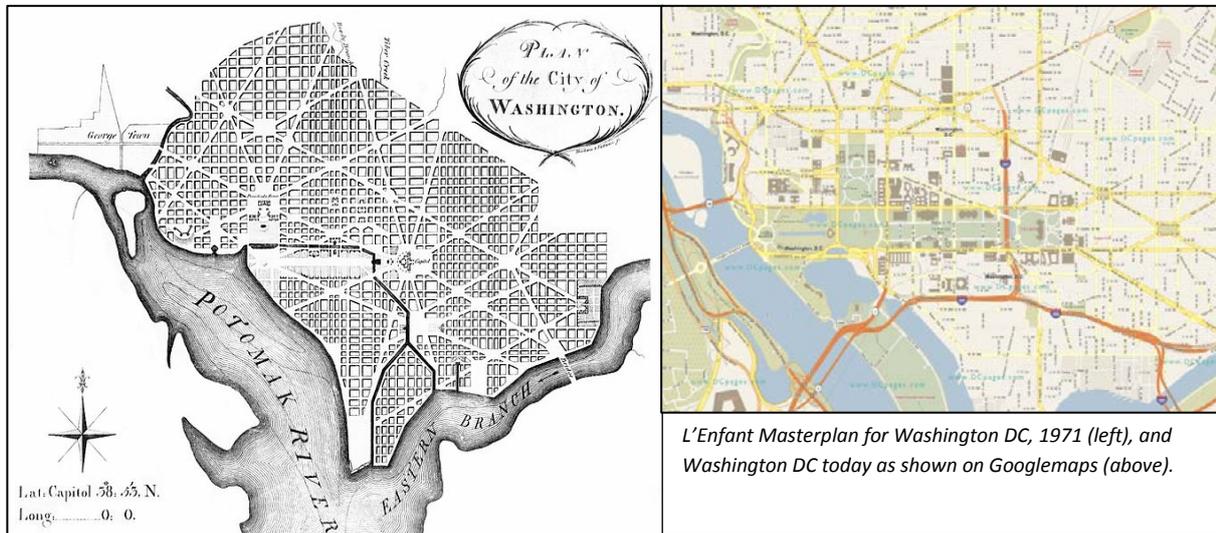
- Continue to measure all dimensions of performance, including the use of citizen feedback to evaluate the quality of services to citizens.
- Make it easier and more attractive for municipalities to analyse, compare, and discuss their performance. Steps to make performance transparent for the public by frequently posting results on public websites, as well as utilizing current processes to link government performance with evaluations of responsible managers.
- Make it easier and more attractive for municipalities to share their 'best practices'. Supporting the activities of professional organizations within Rwanda (such as finance officers or public works officials), including the creation of such organizations where none exist both in Rwanda and throughout the East African Community would be excellent steps to take.
- Consider the suitability of 'best practices' in the delivery of public services that have been developed in other countries, e.g.: PPPs for housing, redevelopment of struggling areas, independent economic development boards.

4. Master-Planning

As mentioned in the introduction, many US cities in the 18th and 19th centuries faced rapid growth, often without the infrastructure to accommodate it. The result was slum housing, pollution, and poverty. Epidemics of cholera, smallpox, polio, measles, and yellow fever occurred regularly across the country as US cities were first developing. But it is natural for society to address the basic needs of survival before it is in a position due to greater wealth to address the next issues on the agenda, such as refined housing, or public transportation or public health issues.

Today, some US cities, such as Phoenix and Las Vegas, have experienced explosive growth. The challenges that have emerged as a result of this growth center on inefficient land use, severe traffic congestion, and lack of affordable housing.

The City of Kigali has an impressive Master Plan, winning awards for excellence. From the beginning, certain US cities also created master plans for their development, and these were important for guiding them to improved infrastructure provision, efficiency, and living conditions. The most successful cities in the USA guided their development using master plans.



L'Enfant Masterplan for Washington DC, 1791 (left), and Washington DC today as shown on Googlemaps (above).

The first Master Plan for a North American city was for Washington D.C., published in 1791. It has been followed surprisingly well since then, and its image constitutes what many people recognise very easily as the capital of the USA today. In 1811, Manhattan Island was just that- an island-, with only its Southernmost tip developed, but early city leaders laid out a grid system that increased the value of property and stimulated development. The sub-divided land could be re-sold for elevated prices. In accordance with the plan, development spread northwards from the tip along a city grid, and created the dense, vibrant New York City we know today. Chicago, another leading US city, burnt down in 1871, and was rebuilt according to the 'Burnham Master Plan'. Such Master Plans (of course, alongside other initiatives) guided the development of US cities by laying down clear and sensible direction for the provision of streets, housing, parks and water and sewer infrastructure.



New York (Manhattan Island) today (left), and the 1811 Master Plan for New York

4.1. The role of master plans

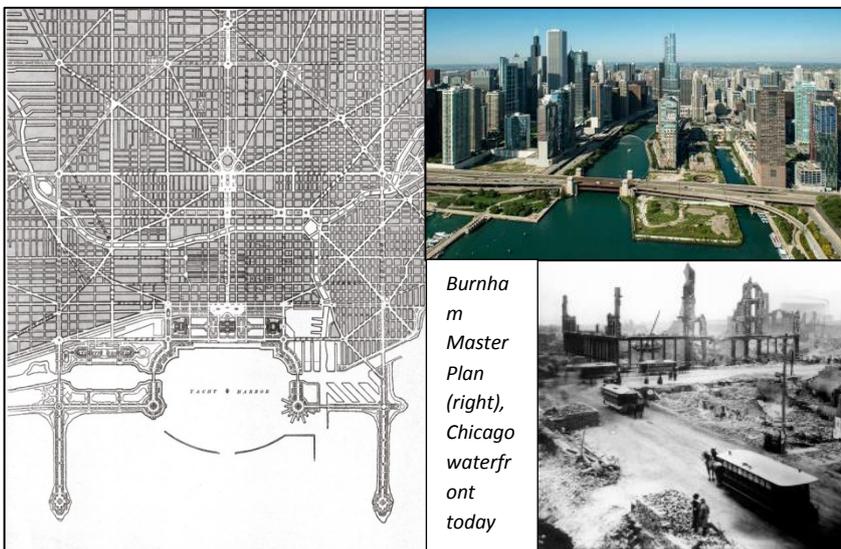
The role and power of a city master plan varies considerably from city to city in the United States. Just over thirty years ago, Portland, Oregon, introduced a master plan structured around public transportation, height limits on downtown buildings, and urban growth management. This has been followed very closely and successfully, as have the recent master plans of Denver, Salt Lake City, and others. Implementing a master plan requires strong political will, sustained over long period of time. It also requires strong, competent management by local administrators and workers.

Master Plans provide the framework for decision-making at a local level. They establish the vision, principles, and goals that guide policy development and program implementation. Effective Master Plans are flexible enough to allow for adaptation to changing circumstances, but strong enough to

guide efficient and effective public investment in housing, infrastructure and transportation. For example, while cities must always be able to respond to changing markets, public investment often is necessary for the market to even exist.

Urban sprawl is one very serious consequence of lack of planning and lack of effective master plan implementation. Sprawl is the result of commercial and residential development occurring in areas where land is cheaper for the private developer. Often those areas are outside the boundary of the territory covered by the adopted plan and land use and transportation planning and policies are disconnected. Making sure that all of an urbanizing area is included in the adopted land use master plan, and that development outside of the approved area is not supported, are crucial to success.

Ultimately there are increased costs to individuals and to government as a result of sprawl. For individuals originally attracted by “cheap” housing, the combined cost of housing and transportation is often more than if they were closer to the urban center. For government, extending basic infrastructure further and further from the core drives up capital and operating expenses.



Burnham Master Plan (right), Chicago waterfront today

In the US, sprawl particularly takes force where land beyond the boundary of the master plan is controlled by a different local government than that controlling the city. As in the ‘race to the bottom’ between local governments described above, counties on the borders of cities face a strong incentive to draw businesses and houses over the city boundary, to reap the tax revenues and economic activity they offer. Master

plans regulate business activity, which can impose a cost on investors, whereas beyond their boundaries regulation may be intentionally made more permissive. In addition, master plans often drive up the value of land within the city, leaving land prices beyond the boundary cheaper. Without a robust mechanism to control growth just beyond the city limits, sprawl, and its attendant inefficiencies, is almost inevitable.

4.2. Master plans and transport systems

A second way master plans may inadvertently induce sprawl is by too quickly laying down high quality peripheral transport infrastructure. After World War II, the US federal government enacted three major policies that negatively impacted core cities and laid the groundwork for the sprawling urban growth patterns



Commuters in a US city. Sprawl increases transport costs, journey times, and pressures on infrastructure.

evident in much of the US. The federal government started building the interstate highway system that made accessible previously undeveloped areas. The federal government subsidized new housing construction, but did not provide similar incentives or subsidies for the existing housing stock. And, finally, the federal government significantly cut immigration quotas. These policies decreased the population of city centers, incentivized growth outside of cities, reduced connectivity of US cities, and thereby reduced their productivity. These policies led to the demise of important sections of the city centre.

Sprawl also increased development pressures on previously undeveloped land and intact ecosystems.

Cities in the United States are beginning to better link the planning of transportation and effective land use. Many cities are adopting policies and regulations to support 'Transit Oriented Development.' By investing in public transit systems that support economic development, local governments are generating private sector investment to meet the new market demand for walkable neighbourhoods that have a mix of housing types and prices and a mix of locally serving retail.

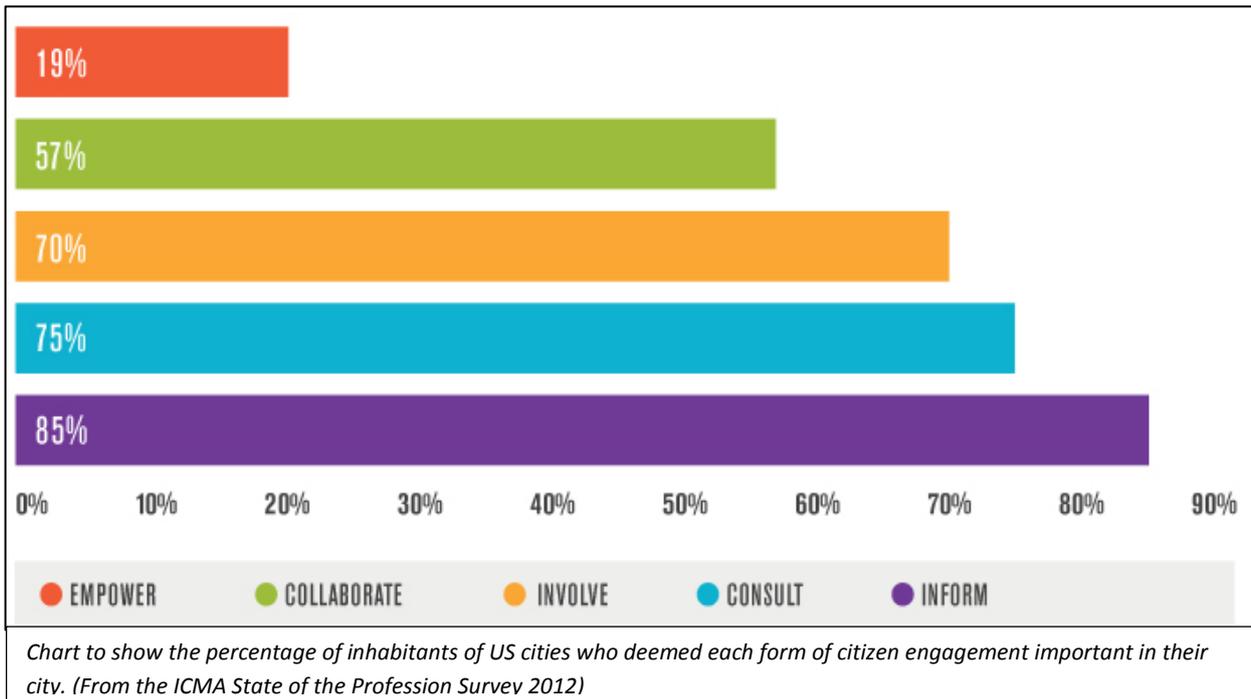
The new demand for urban living in traditional, walkable neighbourhoods also is encouraging greater density in housing. New zoning tools, such as 'form-based codes' encourage speedier development while insuring new developments respect or improve upon the existing character of neighbourhoods. The 'complete streets' movement is integrating traditional auto oriented transport infrastructure with walking, cycling, and public transport. 'Mixed use' areas integrate commercial and residential areas to increase accessibility using non-auto transportation and, thereby reduce transport pressures. 'Urban growth boundaries' are being introduced to help to restrict outwards sprawl. These are just a few of the policies being implemented in many US cities to respond to market demand, improve liveability, and more efficiently use public investment.

Key Policy Lessons:

- Ensure that the whole of a land area that is or will be urbanized is included within the master planning and land use regulation is in place to prevent urban sprawl.
- Redevelop central areas in the city before peripheral areas, to maximise connectivity.
- People and firms will locate themselves around transport corridors and other infrastructure. Developing peripheral transport will reduce the population density of the city and encourage its spread. Place infrastructure where you want people and firms to move.
- Continue to integrate progressive planning tools such as "form-based codes" 'complete streets' and 'mixed use' areas into city planning, to reduce the pressure on infrastructure and keep cities places that nurture human capital.
- Link transport investment and housing investment to insure that determination of "affordability" recognizes that full cost to the public and the individual homeowner of housing costs and transportation costs.

5. Citizen Engagement

The long-term sustainability and effectiveness of any city development project depends on the support of city inhabitants. Transparent decision-making, and appropriate consultations with and empowerment of citizens, must be integrated into city planning processes- though precisely the right



blend of citizen engagement will depend on the character of the citizens. In the USA, for example, some citizens are content to simply be kept informed about city planning, whereas activist, involved citizens more often want to be empowered to input into decisions and plans. Below is a chart that reports on the range of citizen engagement in US cities, as reflected in a 2012 survey by ICMA.

Providing democratic self-governance while also credibly partaking in long-term planning, budgeting, and investments, and offering long-term vision and guarantees, is tricky. When you invest in housing, infrastructure, commercial structures, and so on, you unavoidably build rigidity into your city. This does not imply that one must forgo planning and investing. However, the government should be aware of the problems this *will* cause later, and work appropriate adaptability into the systems and structures one creates. Getting this right is not easy; the US celebrates democracy around the world, but we are still learning how to practice it in our own cities.

Key Policy Lessons:

- Ensure citizens feel involved throughout the city planning process, especially during large or controversial changes. This often requires balancing the need for action with the need for citizen engagement.
- Find out of what sort of engagement citizens need: information, consultation, involvement, collaboration, empowerment, or all of these?
- Be cognisant when you are building rigidity into your cities; build systems that will empower tomorrow’s inhabitants and well as today’s.

6. Conclusion

Following our presentation at the urbanisation Forum in Kigali, one audience member noted that whereas Washington DC's master plan was drawn up in the 18th Century; Rwanda only began planning its cities in earnest in 2004. The timescales were daunting: did Rwanda really have to wait one hundred and fifty years to have effective modern cities?

Kigali is already one of the most liveable cities on the African continent, with good resources and leadership to take it forward. It also benefits from participating in a global community that is much better connected, educated, and supplied with technology and resources than were US cities of the 18th Century. What is more, Kigali seems to be making the most of these unprecedented opportunities to leapfrog its development. Many of the progressive tools being used in the US are already integrated in Kigali City's own master plans. The role and effects of transport corridors are carefully considered in the city. And, managers are questioning the correct balance between planning and flexibility. Rwanda can act today to build modern and effective cities, to take its advantage even further.

Does Rwanda have to wait one hundred and fifty years to be a modern and effective city? We are confident it does not.

About the authors

Gerald Newfarmer and Roxanne Qualls have enjoyed long careers in city management in the United States. Qualls served as Mayor of the city of Cincinnati (population three million) for nine years- where she prioritised making neighbourhoods cleaner and safer, increasing home ownership, and improving the transparency and accessibility of governance-; Qualls also served as a fellow in the Kennedy School of Government, the Institute of Politics, and the Graduate School of Design, all at Harvard University. Newfarmer leads a firm that consults local governments on performance management, planning, budgeting, and organisational analysis across the United States. Prior to that role, he served as a City Manager in three large American cities: Fresno and San Jose, California, and Cincinnati, Ohio.

ABOUT THE IGC

The International Growth Centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research. Based at the London School of Economics and in partnership with Oxford University, the IGC is initiated and funded by the UK Department for International Development.

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The country team for Rwanda includes Linda Calabrese and Sally Murray, In-Country Economists; Aaron Weisbrod, Hub Economist; Andrew Zeitlin, Lead Academic; and Richard Newfarmer, Country Director.

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