

Governance and Social Issues

Small communities and neighbourhoods are basic building blocks of local governance.

Professor Mabogunje's works on governance and social issues focus on democracy and local government. Like his late compatriot, political scientist Claude Ake, he believes that the principles of democracy are present in traditional African political systems and that local governments should emphasize decentralization and devolution of power to levels below formal jurisdictions.

He proposes small territorial communities and neighbourhoods as the basic building blocks of local governance. In his view, these are the most efficient structures to mobilize effective participation and promote collective action on urban, regional, and rural development issues. In the face of rapid urbanization and pervasive urban poverty, local governments should look beyond conventional revenue sources to raise funds for infrastructure development.

The advantages of small jurisdictions are clearly spelled out in the literature on decentralization (Okafor and Honey 2004). These include accessibility to government and essential social services, and local preference maximization. The latter refers to the fact that "small jurisdictions imply the existence of more outlets for the expression and maximization of local preferences for different packages of public goods and services. In other words, because they are often more in number, smaller jurisdictions enable different publics to make different choices" (Okafor and Honey 2004). Large jurisdictions are often inefficient because of their cumbersome, complex, and costly administrative processes. In addition, people living on the periphery of cities feel left out. However, decentralization also has disadvantages, especially in metropolitan areas. For example, metropolitan fragmentation makes the handling of metropolitan-wide problems more difficult.

Most of the arguments for and against decentralization pertain to the formal jurisdictional structures of states and local govern-

ments in Nigeria. Professor Mabogunje's proposed territorial organization of communities and neighbourhoods would empower communities to influence policy and participate in decision-making.

DEMOCRACY

Professor Mabogunje's work on democracy emphasizes the importance of accountability, participation, and empowerment to engender the commitment and sense of ownership needed to foster sustainable development initiatives. His paper on democratic culture¹ is concerned with Nigeria's grassroots culture. The assumption that democracy is alien to African societies is wrong, and indeed the reverse is the case. In traditional African society, people participate in governance in varying degrees and decisions are largely taken through a consultative process. The primary reasons are the communal ownership of land and the absence of an aristocracy. The paper calls attention to Claude Ake's distinction between the principles of democracy and their institutional manifestations. These principles include participation, consent of the governed, and public accountability, all of which are present in African political systems.

Why do these democratic principles appear alien to Africa? The answer is the rupture of traditional systems of governance by colonial-

ism. Colonial states have authoritarian governments that allow little or no consultation and participation. The damage to traditional institutions has also been exacerbated by years of military rule. He calls for action to revitalize the democratic tendencies in African societies "and, as much as possible, build on institutional structures with which the majority of the populace are familiar" (p. 3).

Democracy in traditional African society differs from that in a modern state. Traditional societies are culturally homogenous while modern states are culturally heterogeneous. Societies in modern states are also part of the capitalist world economy in which relationships are contractual. Therefore, "the principles that undergird traditional democratic practices need to be significantly transformed and made more appropriate to the needs of the more complex society of a modern nation-state" (p. 3).

The paper defines democracy from a structuralist perspective and states that it can be experienced in three dimensions: the material or infrastructural; the institutional or technos-structural; and the human relation or super-structural. At the infrastructural level, democratization is about the economy, which is essentially capitalist. It is believed that a free market economy meets the basic needs of people, although in fact the poor are usually disadvan-

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taged in the market place unless special provisions are made for them.

At the techno-structural level, democratization relates to institutions that ensure the smooth functioning of democracy. But a democratic system must be open and simple to manage, and the roles of institutions must be clearly defined. At the superstructural level, democratization relates to such values as freedom, equality, human dignity, fairness, and justice. Democracy is not simply about elections. More importantly, it is about accountability and participation in the decision-making process. In conclusion, the paper notes that promoting democratic culture at the grassroots involves “. . . fostering both attitudinal and behavioural changes.” (p. 3).

He discusses decentralization as a strategy for strengthening democracy and sustainable development.² This paper links sustainable development with globalization, the spread of capitalism, and the effect of the capitalist mode of production on the environment. It also focuses on the economic collapse of African countries, whereby “poverty became the most pervasive feature of the economic landscape of most countries of Sub-Saharan Africa” (p. 1). Finally, it addresses the shift from a concern with modernization and development in the 1960s, which led to stifling centralization, to a concern with poverty and debt at the end of the 20th century. Professor Mabogunje notes that

it “is against this background that there is a groundswell of opinion that mode of governance may be the crucial variable to re-examine if one were to rectify the present situation. Consequently, decentralization and democratization at the local government level are being touted as the critical factors for promoting beneficial changes and sustainable development . . .” (p. 2).

In much of Africa, decentralization or the transfer of responsibilities from a central government to a lower level of government was unsuccessful. Reasons for the failure include lack of clear objectives, ambiguous legislation, poor planning, inadequate resources, shortage of skilled personnel, and poor management. In fact, what took place was deconcentration rather than decentralization. The latter “is about granting autonomy of decision-making and power to raise tax resources to people at the local level so that they can feel a strong sense of ownership of their own development process” (p. 3). Decentralized structures exist below the level of ethnic polities and are important for the day-to-day management at the grassroots.

What is needed to foster democratic local governments that promote the sustainable development of cities and countries? Professor Mabogunje identifies citizen participation, direct accountability, significant resource mobilization, and the capacity to cooperate

with neighbouring local governments as key factors. Local government cooperation, in particular, would eliminate the duplication of equipment and facilities, and “. . . put to rest the economies of scale argument that, for efficiency, local government must be of a certain population size” (p. 6).

In addition, governments must recognize and utilize the diverse voluntary and community associations that exist in cities. The paper notes that “the existence of such social capital in a community tends to promote good governance and nurture sustained socio-economic performance” (p. 6). Such associations provide informal governance and are noted for the commitment, dedication, and accountability of their officials. In his view, the challenge is “how to build as much as possible, on institutional structures with which the majority of the populace are familiar and help thereby to nurture all those virtues that make for strong and accountable local government” (p. 7).

His paper on local governments in Africa³ assesses their levels of decentralization and devolution of power, service delivery, socio-economic development, resource mobilization, and democratic participation and accountability. The paper reinforces the point made earlier that “what was being decentralized was really government activities, a process which is now more correctly referred to as deconcentration” (p. 4). South Africa is the only exception.

Higher tiers of government are becoming increasingly responsible for the delivery of services. The loss of local government capacity is the result of corruption, as well as inefficiency. Private sector participation includes service contracts, management contracts and leases, concessions, and public-private partnerships, such as Build-Operate-Transfer and Build-Own-Operate. Services provided by communities are also becoming important. When communities are consulted about their service priorities, they are more willing to pay for the services and provide an investment.

Cities and local governments that attract the investment of large-scale enterprises create employment opportunities and increase their taxable resources. Because the informal sector is so large in many African cities, development can be promoted by supporting informal small businesses and upgrading the slums where most informal sector operators reside. Upgrading slums in developing countries is a key strategy of the Cities Alliance. South Africa is a good example of a country that has adopted the Alliance’s City Development Strategy to promote development.

Many local governments have the legal authority to raise taxes, the most important of which is property tax. However, this lucrative source of revenue is the most difficult to collect because of poor databases, incomplete coverage, and problems with acceptable valuation meth-

ods. User charges are another revenue source, although the irregular supplies often make users unwilling to pay for services. Transfers and subventions from higher levels of government are also important. In Nigeria, more than 90 percent of local government revenue comes from such sources. The capital market is another potential source of revenue, although borrowing depends on local governments' credit ratings and central government approval.

Democratic governance at the local level is about participation and accountability. He proposes bringing together all local stakeholders for periodic consultations. This is an effective way of establishing a participatory system of governance. The stakeholders group could "constitute a Consultative Assembly to which the municipal authorities can make an annual report of their performance and solicit its support to achieve greater efficiency in revenue mobilization or to levy new taxes" (p. 20). The paper concludes that local governments in Africa fail to meet the needs of the people.

Building City Networks

Individuals and groups are bringing about networks of cities, which are transforming economies, governance, and lifestyles in urban areas. His paper on urban networks⁴ focuses on the emergence of world cities and international civil society organizations.



Aerial view of a township in eThekweni (Durban), South Africa

Cities Alliance

World cities are not necessarily the largest cities in demographic terms, but they are the control centres of the world economy. As Knox and Marston (2004, 512) have it, a world city is "a city in which a disproportionate part of the world's most important business is conducted." When such cities as London, New York and Tokyo form a network, their priority focus is on relationships within the network rather than with the hinterlands.

The paper also makes reference to the emergence of international civil society organizations (international NGOs) which influence state policy, and to the fact that urban infrastructural development is now a viable area of private sector investment. These are consequences of globalization and he argues that they will affect the character of cities in the 21st

century. International NGOs push a variety of agendas, including poverty alleviation and democratic participation, among others. They work with local groups in developing countries to upgrade squatter settlements and improve the urban environment. Private sector initiatives and the benefits derived from them include foreign direct investment flows to developing country cities. These flows go into productive activities, infrastructure development, and different types of services. It is clear from the literature that this is largely a result of a shift from the Fordist to Post-Fordist (or Neo-Fordist) regime of accumulation.

In the informal sector, urban agriculture and the development of micro-credit institutions are important initiatives for meeting the needs of the urban poor. Because of the increased diversity of urban populations, local governance must focus on “. . . greater fostering of participation and consultation among all segments of the city population.” Professor Mabogunje cites examples of cities that have effectively used citizens’ forums, local government report cards, and participatory budgeting to increase the involvement of residents and other stakeholders. An important innovation in the sphere of governance is the funding of urban infrastructure through municipal bond issues. As he sees it, “initiatives are, therefore, being directed at looking at the cultural her-

itage of cities with a view to treating them as marketable cultural capital from which the city can derive considerable economic dividend. . . . Developing and exploiting its cultural capital gives a city that little edge that makes it more attractive to visit and to live and work in. . . . Cities in developing countries are just starting to realize the resource value of their cultural heritage and can expect new initiatives to emerge from this growing realization” (p. 20).

Such initiatives have implications for planning and development. With increased participation, planning becomes consensual—an interactive, iterative, and participatory process that is already being practiced in Peru, Columbia, Brazil, and other countries. He stresses that successful planning requires a mapping framework for urban information and data. Also important in this regard is the installation and use of geographical information system (GIS) technology, which is now in place in some cities.

LOCAL GOVERNMENT FINANCE

Professor Mabogunje’s works stress the need to strengthen the revenue base of African local governments so that they can perform more effectively, deliver services more efficiently, and provide necessary infrastructure. This can be achieved by greater efficiency in tapping the

conventional revenue sources, but more importantly, by looking beyond the conventional sources. Concerning the latter, he sees the capital market as a largely untapped source of revenue for local governments that is particularly suitable for meeting the huge investment needs of infrastructure development projects. Developing the capacity of African cities to issue municipal bonds in the capital market is a possibility. Sourcing credit from capital markets depends on the credit rating of local governments and would therefore make them more transparent, accountable, and efficient. One of his papers examined the issue of access to credit for local governments.⁵ It addresses several questions, including the possible sources of credit and the measures that will ensure that local governments have the capacity to repay loans.

The paper argues that the need for credit is necessitated by the limited and poor state of infrastructure in African cities as well as their poor revenue base. In the post-colonial period, the World Bank provided loans and technical assistance, but paid little attention to the capacity of governments to repay them. The debt burden constrained the capacity of central governments to maintain or expand the infrastructure. In these circumstances, "if African cities and local governments must seek a new approach to their planning and management

so that they continue as viable social and productive entities in the present century, they must find a way of providing and maintaining modern infrastructural facilities" (p. 3).

The level of investment required for infrastructural development is substantial. Even in advanced economies, most governments cannot rely solely on conventional sources. In addition to the capital market, other sources included inter-governmental transfers and grants, central government lending, direct access to banking institutions, and municipal development banks. Credit from the capital market entails floating a debt instrument which "... in the case of urban infrastructural development was the municipal or local government bond" (p. 5).

When the capacity to repay loans is inadequate, the repayment strategy can rely on user charges. On the other hand, when the fiscal capacity is adequate, the principal means of loan repayment is through budgetary surpluses. Achieving surpluses requires that local governments have ample internal revenue sources and a highly efficient revenue collection system. It also leads to good governance. Unfortunately, with the possible exception of Zimbabwe and South Africa, most African countries have poorly developed fiscal capacity.

The paper stresses that local governments need to improve their information management systems. A cadastre is indispensable in



Urban street scene in Dakar, Senegal

this regard. A cadastre “is a register, survey or map of the extent, ownership, value, etc. of the lands of a country as a basis for taxation” (p. 10). It indicates the number of taxable buildings in each neighbourhood or ward. Digital mapping and GIS technology make it easier and less expensive to produce cadastres. Professor Mabogunje concludes that “with the cadastre and register produced, the issue of ensuring a more effective and reliable collection of building-related user charges or general tax revenue for deliberately planning for a better budget surplus becomes a lot easier to resolve” (p. 11).

In his view,⁶ “municipal bonds represent a financial facility which enables citizens of an urban centre as well as other members of the

public to subscribe their savings . . . towards the cost of building a public infrastructure or amenity. . . . In this way, capital is mobilized in the magnitude required and the debt incurred is gradually liquidated over the succeeding years” (p. 2).

The city of Naga in the Philippines is an example of how local government used a bond issue for a major infrastructure project. The bond issue to construct a central bus terminal was undertaken after broad-based consultation through a referendum. It also ensured that all citizens could purchase the bonds. A successful bond issue requires certain conditions, including the enactment of enabling legislation to allow local governments to raise revenue and access credit, continued central government support through intergovernmental transfers, decentralization and devolution of power, and the promotion of democratic culture. But “irrespective of the type of bond issued, a critical problem . . . is the improvement in the revenue collecting capacity of African municipal authorities” (p. 8).

He offers detailed proposals for the development of municipal bonds,⁷ stressing that the problems *inhibiting African cities from raising* “. . . investment funds from their national capital market must be seriously confronted” (p. 3). He argues that “irrespective of the type of bond issued . . . a critical issue for deepening the capital market in most African countries so

as to be able to absorb trade in municipal bonds is the improvement in the revenue collecting capacity of African municipal authorities” (p. 4). The stock exchange, merchant and investment banks all have a responsibility to promote the use of debt instruments for infrastructure development.

He also stresses the importance of mobilizing financial resources and encouraging participatory urban governance to promote development and raise needed funds.⁸ In Africa, phenomenal urban growth, economic crises, and the expansion of the informal sector have made urban poverty more pervasive. The crisis is even more pronounced in countries experiencing armed conflict.

He discusses the supply and demand components of access. On the supply side, the public, private, community (including NGOs), and household sectors are the major supply sources. Because of the high cost of infrastructure development, the public sector had been dominant. However, the complexity and explosive growth of cities has overwhelmed the public sector’s capacity to provide critical services, such as reproductive health and financial services, including micro-credit for the poor. He observes that financial services are “. . . hardly ever considered as part of basic services. Yet . . . lack of access to formal sources of finance and household credit is

one of the most significant obstacles to reducing urban poverty . . .” (p. 7). The water supply system in Abidjan is a good example of the trend toward increased private sector participation. The public-private partnership supplying water in South Africa is another success story.

On the demand side, he notes that access to basic services depends on the socio-economic characteristics of consumers and their location within a city. Data show substantial gaps between the demand and supply of services in African cities and that “less than half of the population have access to basic services irrespective of whether these were being supplied by the public or private sector or the community” (p. 10). Improving access to services is contingent upon the ability of local governments to mobilize financial resources.

Participatory governance can enhance access to basic services and central governments have important roles to play. Monitoring the performance of local governments will enable central governments to devise strategies to reduce disparities.

GENDER

Professor Mabogunje’s paper on women in business⁹ shows that many African women are engaged in the informal sector. He discusses



Curt Carnemark/World Bank

Market women taking delivery of yams in Accra.

the rise of capitalism and states that “it cannot be controverted that women within contemporary capitalist economic arrangements would appear to be greatly under-privileged and under-achieving” (p. 6). Ideological, structural,

and legal constraints prevent women from participating in modern production activities in the formal sector.

A number of practices prevent women from effectively participating in business ventures.

The socially defined gender role of women confines them to reproduction and the domestic domain. Structural mechanisms include the cultural barriers that limit their access to resources, especially land and labour. The advent of capitalism has undermined the family as the basic unit of production. Finally, inheritance laws deny female children claims to family land.

Women are active in agriculture and trade, especially in the bulking, transportation, exchange, and distribution of foodstuffs. They are also pre-eminent in food processing, and in various crafts and cottage industries. In spite of their important role in agriculture, women are often bypassed by the project managers of agricultural development projects. These managers tend to deal only with household heads who are invariably male, thus precluding female farmers from taking advantage of extension services. In spite of their disadvantaged position, “the contribution of female cultivators to food production in Nigeria remains quite considerable” (p. 11).

Women are noticeably reluctant to use banking facilities to grow their businesses. As a result, when businesses reach a level that requires higher organizational, technological and financial input, women tend to be replaced by male-dominated enterprises. Education is the key to women’s effective participation in modern business. Structural adjustment programmes provide opportunities for enhanced

agricultural production, but “unless Nigerian women are properly prepared and organized for the changing situation, they may be edged out of a field where traditionally they have been pre-eminent” (pp. 13–14).

ENDNOTES

1. “Power to the People: Promoting Democratic Culture at the Grassroots.” Text of a Keynote Address Delivered at the Launching Ceremony of the Project on ‘Grassroots Mobilization for Greater Understanding and Practice of Democracy, Rule of Law and Individual Rights’ by CASSAD in Collaboration With the European Union at the Cultural Centre, Mokola, Ibadan, on Wednesday, July 21, 1999.
2. “Decentralization as a Strategy to Strengthening Democracy and Sustainable Development in African Local Governments.” Text of a Keynote Address Delivered at the Africities 2000 Summit held at the Safari Court and Conference Centre, Windhoek, Namibia on May 15–20, 2000.
3. “The State of Local Government in Africa.” Text of a Keynote Address Delivered at the Official Opening Ceremony of the Founding Congress of the United Cities and Local Governments of Africa (UCLGA) held on May 15–18, 2005, at the City of Tshwane (Pretoria), in the Republic of South Africa.
4. “Urban Networks Initiatives.” Keynote Lecture Delivered at the Second Plenary Session of the 45th World Congress of the International Federation of Housing and Planning (IFHP) on the Theme “Urban Networks” held in Rotterdam, The Netherlands on September 10–13, 2000.

5. "Access to Credit for Local Governments: The African Experience." Text of a Keynote Address Delivered at the Africities 2000 Summit held at the Safari Court and Conference Centre, Windhoek, Namibia on May 15–20, 2000.
6. "Killing Three Birds with a Stone: Developing the Capacity of African Cities to Issue Municipal Bonds."
7. "Proposals for the Development of Municipal Bonds in the Capital Markets of African Countries." African Mayors' Colloquium, Accra, Ghana, November 2–4, 1995.
8. "Access to Basic Services in African Local Governments: Understanding the Challenge and Starting Action." Text of the Keynote Address Delivered at the Official Opening of the Africities Summit held on Tuesday, December 2, 2003 in Yaoundé, Cameroon.
9. "Women in Business and Agribusiness in Nigeria." Text of the Keynote Address Given on the Occasion of the Workshop on "Women in Business and Agribusiness" held on December 5–8, 1989, at the Institute of African Studies, University of Ibadan, Ibadan, Nigeria.