

## Urban Governance and Infrastructural Development for Nation Building in Nigeria

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### Abstract

Urban governance could be described as software that enables the urban hardware to function. Governance is the enabling environment that requires adequate legal frameworks, efficient political, managerial and administrative processes to enable the local government response to the needs of citizens. Urban governance involves a range of actors and institutions; the relationship among them determines what happens in the city. In managing urban information, government (at all levels) needs to play a strategic role in forging partnerships with and among the key stakeholders. The private sector is a key stakeholder in both urban and economic development, being a major contributor to national income and the principal job creator and employer. The private sector provides around 90% of employment in the developing world (including formal and informal jobs), delivers critical goods and services and contributes to tax revenues and the efficient flow of capital. Managing cities and urban growth is one of the major challenges of the twenty-first century. If managed well, cities can act as engines of growth and provide inhabitants with better job opportunities and improved healthcare, housing, safety and social development.

**Keywords:** *Urban, Governance, Stakeholders, Indicators*

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## **Background to the Study**

Urban governance refers to how government (local, regional and national) and stakeholders decide how to plan, finance and manage urban areas. It involves a continuous process of negotiation and contestation over the allocation of social and material resources and political power. It is therefore, profoundly political, influenced by the creation and operation of political institutions, government capacity to make and implement decisions recognize and respond to the interests of the poor. It encompasses a host of economic and social forces, institutions and relationships. These include labour markets, goods and services; household, kin and social relationships; and basic infrastructure, land, services and safety, Devas, N., with Amis, P., Beall, J., Grant, U., Mitlin, D., Nunan, F. & Rakodi, C. (2004).

Urban governance is described as software that enables the urban hardware to function. Governance is the enabling environment that requires adequate legal frameworks, efficient political, managerial and administrative processes to enable the local government response to the needs of citizens (UN-Habitat, 2016). It is also defined as the way that institutions and individuals organize the day to day management of a city and the process used for effectively realizing the short-term and long-term agenda of a city's development. Large gaps often exist between poor and better-off urban residents in terms of access to social, economic and political opportunities (particularly decision making) and the ability to participate in, and leverage, the benefits associated with urban living. According to Slack and Cote (2014), urban governance therefore:

- i. Plays a critical role in shaping the physical and social character of urban regions;
- ii. Influences the quantity and quality of local services and efficiency of delivery.
- iii. Determines the sharing of costs and distribution of resources among different groups; and
- iv. Affects residents' ability to access local government and engage in decision-making, influencing local government accountability and responsiveness to citizen demands.

Urban governance involves a range of actors and institutions; the relationship among them determines what happens in the city. In managing urban information, government (at all levels) needs to play a strategic role in forging partnerships with and among the key stakeholders (UNESCAP and Habitat, 2010).

However, the main objective of this paper is to examine the role of the various actors and institutions involved in urban governance with a view to recommending measures for improving better urban governance in Nigeria.

## **Elements of Effective Urban Governance**

Effective urban governance depends on four core elements:

- i. The city-national interface; effective urban governance depends not only on local institutions and actors, but also on the framework set by national governments that links the city and broader regional and national development. However, in many contexts, inadequate institutional frameworks have impeded effective urban governance.

- ii. Municipal capacity; expanding municipal capacity to plan, manage and finance urban growth is a fundamental component of effective urban governance. It is important that each level of government has sufficient capacity to ensure that physical and socio-economic planning processes are well coordinated, legally enforced, inclusive and cross-sectoral. However, many municipalities lack the skills, capacity and resources to meet their obligations.
- iii. The role of the private sector; the private sector is a key stakeholder in both urban and economic development. In addition, to providing jobs, it can also be engaged in the design, construction and maintenance of infrastructure (for example through PPPs).

Political systems and institutions; urban governance is profoundly political influenced by the creation and operation of political institutions, government capacity to make and implement decision and the extent to which these decisions, recognize and respond to the interests of the poor (Booth and Unsworth, 2014).

### **Attributes of Governance**

UN-Habitat outlines the following as attributes of governance;

- a. Governability
- b. Accountability
- c. Transparency
- d. Participation
- e. Compliance
- M & E
- f. Independence
- g. Legitimacy
- h. Conflict resolution
- i. Negotiation
- j. Rule making
- k. Equity
- l. Efficiency
- m. Tenure/ownership

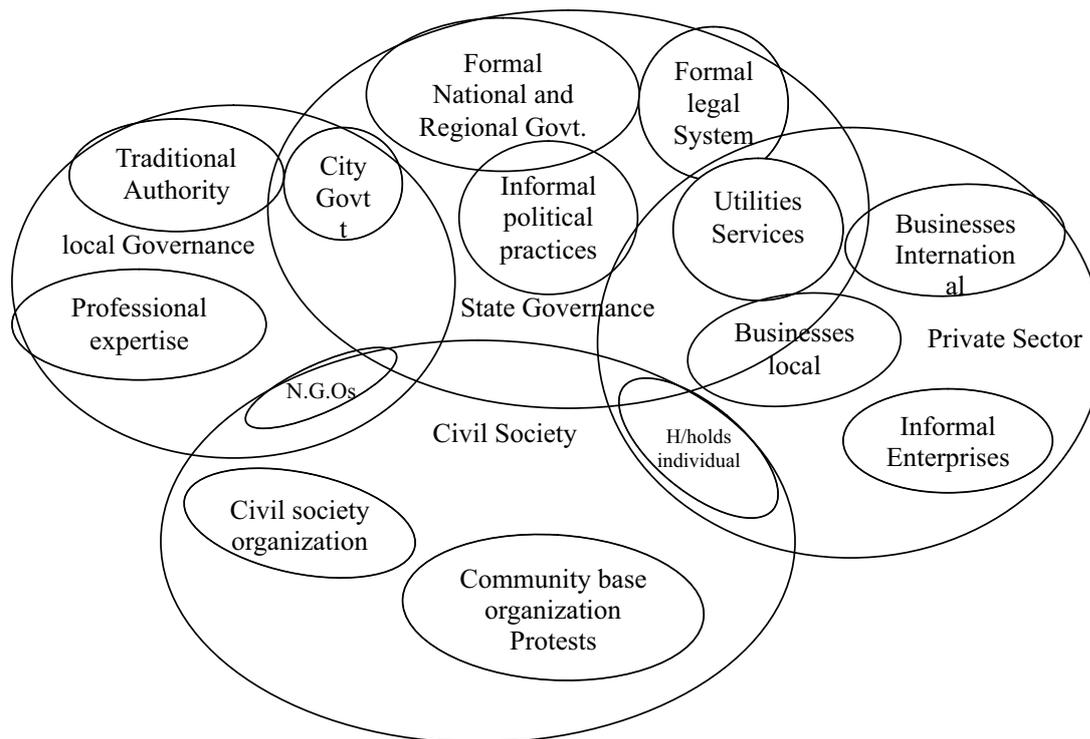
### **The Role of Private Sector in Urban Governance**

The private sector is a key stakeholder in both urban and economic development, being a major contributor to national income and the principal job creator and employer. The private sector provides around 90% of employment in the developing world (including formal and informal jobs), delivers critical goods and services and contributes to tax revenues and the efficient flow of capital. Further, it will undertake the majority of future development in urban areas (Venables, 2015).

According to UN (2008) and Khan *et al* (2016), to enable the private sector engage in urban planning, public policy and development objectives, the public sector needs to:

- a. Consider incentives that encourage private sector participation. World Bank Research (2005) suggests legal and regulatory reform is necessary to support more sustainable economic growth and enhance the private sector's impact.

- b. Consider arrangement beyond PPPs to meet its financial needs e.g. fiscal decentralization, issuing municipal bonds etc) and non-financial obligations (improving service provision through better management of operating systems, reducing distribution and transmission costs, reducing water and electricity theft by informal network providers, combating corruption, promoting e-governance, and so on).
- c. Implement specific policy instruments and interventions that complement, coordinate and collaborate with the private sector rather than compete against it



**Figure 1: Actors and Institutions of Urban Governance**

**Source:** Brown (2015), adopted from Devas *et al*, (2004).

### Why the Urban Governance

Managing cities and urban growth is one of the major challenges of the twenty-first century. If managed well, cities can act as engines of growth and provide inhabitants with better job opportunities and improved healthcare, housing, safety and social development. Further, cities can contribute to national growth through increased revenue and political stability, as well as playing a role in post-conflict reconciliation. Conversely, cities that are poorly planned, managed and governed can become centers of poverty, inequality and conflict.

The well-being of the urban poor can be improved by facilitating access to economic opportunities, supportive social networks and greater access to land, infrastructure and services. Whether and how these are available to the poor depends to a significant extent on urban governance – i.e. local political processes (informal and formal); the influence of the

civil society organization (C.S.Os) representing the poor, and the capacity of city government to respond (Devas *et al*, 2004).

Ineffective urban governance affects the poor disproportionately. In particular oppressive regulation of informal enterprises and settlements can negatively impact upon livelihood opportunities. Devas *et al*, (2004) and Brown (2015) suggest that the design of the city-level political system, including democratic structures with checks and balances between executives and legislature and period elections, must be supplemented by broader participation to ensure that decisions reflect the needs of the poor.

Maximizing the potential of urban areas requires institutionalizing mechanism of coordination, planning and accountability among diverse stakeholders (Fox and Good fellow, 2016). However, many city governments face severe capacity constraints, lack the vision to address urban growth, and need better information /data on poverty, the environment and the services. Here, three key messages emerged that underline why urban governance matters (Venables, 2015):

- i. The scale and high population density of cities enable economic and social interaction to occur more frequently and effectively. This, create the potential for cities productive and to offer inhabitants a better quality of life.
- ii. To unlock this potential, key issues surrounding land, transport, public finance and regulation need to be addressed. Making the city to work requires investment in residential, commercial and industrial structures supported by a combination of effective land market, appropriate regulation, good public services, adequate public finance, transport and accountable city level political systems.
- iii. Harnessing urbanization requires smart policy and hard work (i.e. effective urban governance).

### **Objectives of Urban Governance**

The main objective of urban governance is that urban centres provide better services to their citizens and apply principles of urban good governance.

### **Good Governance**

Good governance is about the processes of making and implementing decisions. It is not about correct decisions, but about the best possible process for making those decisions.

### **Benefits of Good Governance**

Good governance is important and results to a lot of benefits as;

- i. Promotes community confidence; people are more likely to have confidence in their local government if decisions are made in a transparent and accountable way.
- ii. Encourages elected members and council officers to be confident; these members and officers will feel better about their involvement in local government when good governance is practiced.
- iii. Lead to better decisions; decisions that are informed by information and data, by stakeholder vies, and by open and honest debate will generally reflect the broad interests of the community.

- iv. Helps local government meet its legislative responsibilities; if decision margin is open and followed by observers, legal requirements. They will also be less likely to take shortcuts or bend to rules.
- v. Support ethical decision making; good governance creates an environment where elected members and council officers ask themselves what is the right thing to do when making decisions. Making choices and having to account for them in an open and transparent way encourage honest consideration of the choices facing those in the governance process.

### **Key Policy Challenges for Urban Governance**

The major challenges in the urban governance are the;

- i. Urban governance is often neither inclusive nor participatory. There are large gaps between the poor and the non poor in their access to social, economic and political opportunities and ability to participate in and leverage the benefits of urban living. Policy framework need to encourage policy coordination at local and regional levels and include the voices and participation of the poor.
- ii. The importance of informal sector to urban economics and to the livelihoods of the poor is often not fully understood, and limited attention is given to working with and not against the informal sector.
- iii. Urban authorities generally fail to provide access to services for the poor. There is scope for improvement by, for example, breaking down barriers to collective action, creating incentives for resourcing service provision and introducing appropriate pricing and revenue models.
- iv. While cities are inherently sites of conflict, effective urban governance arrangements can reconcile differing views by encouraging debate and the formation of broad coalition of interest that promote developmental activities
- v. Migration is often seen as contributing to shortages of housing, infrastructure and services as well as tensions between migrants and host communities. Migration policies can be improved by paying attention to the nature of migration, the vulnerabilities of migrants and host communities and facilitating the participation of migrants in civic and political life.
- vi. Urban areas are major contributors of to climate change and are central in addressing it. Policy makers need to better integrate international and national climate strategies with regional and local urban policy frameworks.

### **TOP 12 Urban Governance Issues/Indicators**

The top 12 urban governance issues/indicators as pointed by UNCHS expert group meeting on urban poverty and governance indicators, 29 April, to 1 May 1999, are;

- 1. Consumer satisfaction
- 2. Openness of procedures for contracts/tenders for municipal services
- 3. Equity in tax system
- 4. Source of local government funding (taxes, user charges, borrowing, central government, international aid, etc)
- 5. Percentage of population served by services

6. Access of public to stages of policy cycle
7. Fairness in enforcing laws.
8. Incorporation of excluded groups in the consultation process.
9. Clarity of procedures and regulations and responsibilities
10. Existing participatory processes
11. Freedom of media and existence of local media
12. Autonomy of financial resources.

### **Conclusion**

Nigeria has the demographics, natural resources and economic potential to become Africa's powerhouse in the coming decades, to achieve this requires good governance as well as attitudinal change on the side of the citizen.

### **Recommendation**

For urban governance to yield desired result, the following are recommended:

- i. Investing reasonably in infrastructure will drive economic growth, provide jobs, and deliver vital services to the country and the majority of its citizens.
- ii. Stable and cost-efficient power availability has been widely acknowledged as pivotal to the successful economic development of any country.
- iii. Stable and cost-efficient power availability has been widely acknowledged as pivotal to the successful economic development of any country.
- iv. Better project planning, stronger technical partnerships, mobilizing the “right” equity for infrastructure projects, and innovative financing arrangements.
- v. Involvement of technical expertise in urban governance.

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