

# PLANNING AND INSTITUTIONAL ARRANGEMENTS

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## ABSTRACT

Up until the 1970s planning was the dominant paradigm for delivering urban development. But it had fallen from grace by the 1980s and since that time planning has rather been in the doldrums. During that period there has been an international debate about the future of planning that has been related to its capacity to deliver results and the costs that it incurs in endeavouring to do so.

One of the reasons for planning's problems has been the criticism that it has been onerous in its institutional requirements, requiring a lot of expensive skilled personnel to deliver sometimes meagre results over long periods. The institutional regime required to implement plans was seen as complicated and legalistic, laying heavy burdens on administrations that were already struggling to cope with explosive population growth and rapid socio-economic change.

As the Global Coordinator of the Urban Management Programme (UMP), which by the late 1990s was world's largest technical assistance programme operating in Africa, Asia, the Middle East and Latin America and financed by the World Bank, UNDP, UN-Habitat and many bilateral donors, the author was one of those grappling with these issues.

The UMP was confronted by the need to get to grips with urban administrations that were failing to tackle the problems that confronted them. Planning, because its grandiose ambitions for comprehensive solutions which it frequently failed to deliver, was seen as part of the problem, not the solution. Planning-derived visions often were viewed as utopian delusions with little relevance to the real world. Nevertheless things have changed again since then, and this paper presents a history of planning to identify the themes of the emergent paradigm and identifies problems with current institutional arrangements.

**Keywords:** Planning, Decentralisation, Government Institutional Arrangements, Urban Governance

## A RECENT HISTORY OF URBAN INSTITUTIONAL DEVELOPMENT

This section reviews the evolution of thinking on institutional matters that has taken place in response to the challenges facing cities generally, and planning in particular.

After its emergence in the late 1980s/early 1990s the UMP commenced practical interventions in technocratic urban management at city level dealing with poverty, environment, land, and finance. Managerialism was the dominant ethos with the primary concern being for more efficient and effective provision of social services to citizens through local government bureaucracies.

As a result of the limited impact of the managerialist model on changing the performance of city administrations, from the early 2000s urban governance became the dominant paradigm in UMP, and was adopted by a number of other global programmes – Local Agenda 21, the Sustainable Cities Programme, etc.

The enthusiasm within UN-Habitat for improved urban governance as the antidote to the problems of city administration was made evident in its promotion of the Urban Governance Campaign that continued more or less until 2007 (UNCHS, 1989). It advocated for the key elements of good urban governance – accountability, transparency, participation, subsidiarity, effectiveness and equity – as the means by which city performance could be improved.

Planning as a key ingredient of improved urban administration came back into contention in 2006. The Vancouver World Urban Forum and the associated World Planners Congress were the key events in ushering it back into consideration as a development tool (Habitat III, 2016). A document called “Reinventing Planning: A New Governance Paradigm for

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Managing Human Settlements” was endorsed by representatives of the world’s major planning organisations. It deliberately created clear blue water between itself and traditional planning. It viewed planning as less an instrument of government and more a process of good governance because demand driven planning is more dynamic and more effective. Furthermore, the special contribution that planning could make was seen as being derived from a quality intrinsic to the discipline: that of integrating social, economic and environmental considerations in human settlements development. Good governance on its own does not have this integrative capacity.

Participation was the watchword in all these latter phases of thinking regarding governance and planning. Getting citizens involved in the identification, selection, implementation and monitoring phases of city activities was felt to be the key to better results.

Decentralisation to local government was an important part of the mix and a constant theme throughout these convolutions of change in the dominant paradigms. It was felt by almost all players that the closer government got to the people, the more likely it was to become responsive to their needs and demands.

One important observation emanating from the above is that although many problems in urban development and planning are institutionally derived, the emphases of many of the solutions considered were not purely or even primarily jurisdictional in nature. In other words, other things, particularly those concerned with “soft” matters – such as those that are related to cultural or process considerations – were also important.

## DEFINITIONS

This section defines some key words used in the paper.

The most important term is institution. It is often thought of as synonymous with the term organisation, and indeed some dictionary definitions make it so. But institutions are really “organisations plus”. Institutions are entities that set the rules of the game. In other words although they frequently include organisations, sometimes they don’t and exist, for example, as legal constructs. Marriage for instance is a recognised institution – it sets the rules of the game, even though there is no entity, club, society or association that is connected with it. This notion of the culture, ethos and norms associated with institutions is important for the argument that follows.

Organisations may be described as groups of people banded together to advance a common purpose. The commonality or glue of an organisation is not so much its values and more the existence of structures that define relationships. This is not to say that organisations don’t have values, but they are subsidiary. The more important the values and the more they are relevant to larger society, the more akin an organisation becomes to an institution.

Urban governance on the other hand is the sum of the many ways in which individuals and institutions, public and private stakeholders, plan and manage the common affairs of the city. It refers to the relationship between civil society and the state, between rulers and the ruled, the government and the governed. It is this latter aspect – the relation of civil society to the state – that distinguishes governance from government. It is more about process than structure.

As can be seen from a comparison between the above definitions and the preceding description of the unfolding of thinking in recent years, there are no neat categories that arguments fall into. There is a mixture of ideas, all of which have merit, that mesh almost seamlessly between the different categories described above. One cannot therefore limit oneself to the notion of organisational restructuring and administrative reform that the use of the term “institutional” might seem to imply.

## PROBLEMS WITH CURRENT INSTITUTIONAL ARRANGEMENTS

This section takes a broad overview of some of the structural problems faced by the institutional set-up of the entities that govern planning. Particular mention is made of the problems faced by burgeoning metropolitan regions, which pose problems of scale and complexity for the entities that govern them that have not been faced before in human history. Exclusion and poverty still stalk our cities and these problems are particularly intractable at the metropolitan level, whose populations are engulfing contiguous cities and adjoining rural areas at a breathtaking rate. The impact of climate change and the consequent increased incidence of natural disasters in terms of adaptation, mitigation and resilience complicates the burden. The scale and complexity of the new city regions multiplies the difficulty in addressing these problems.

There is a range of entities found at global, national, regional, local and civil society or stakeholder levels that are involved in the institutional framework. But the trick is getting entities to cooperate. No single institution can accomplish everything

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alone.

There is no doubt that ill-defined distributions of responsibilities between tiers of government leads to both a duplication of roles and administrative voids. This leads to “backlogs in budget spending, higher transaction costs.... wider economic inefficiencies, as well as compromising transparency and accountability” according to one authority. Indeed, in many countries, not only do legal frameworks fail to support horizontal and vertical cooperation between governments, but also actually hinder it through prohibitions often designed to ensure the hegemony of central institutions. This tension is frequently witnessed at negotiations at the global level, where national governments sometimes treat local governments and civil society as competitors in a zero sum game in the allocation of power.

Integration is therefore a key word in the discourse about planning and that function has to reside in a strategic body. This may not be a major problem for smaller and medium size entities where a single authority, depending on the context, may have jurisdiction over most or many of the planning matters that require coordination.

But there are particular problems for large urban areas, especially metropolitan areas that have to address long term issues of transport, solid and liquid waste management, water and watersheds, energy and other issues that often are not confined to boundaries of officially demarcated districts and communities (Sellers, et. al., 2009). These sectors have catchments and spillover effects that easily reach beyond conventional civic boundaries. There are often boundary and edge issues, for example, with cities’ built-up areas overspilling city boundaries into peri-urban and rural areas, with multiple consequences. This creates not only problems for management and financing of the individual cities but leads to and reinforces imbalances and inequalities between cities and regions in terms of poverty, demography, infrastructure, etc.

Local authorities at district and community level tend to be only marginally engaged with planning issues that fall outside the short term and perhaps medium term concerns of specific localities and communities. They may even compete and engage in wasteful competition, particularly when there are different political parties at the helm of adjacent local authorities. Economies of scale and agglomeration - those engines of city economic growth are compromised by parish pump politics that exploit local grievance and detract from the comparative advantage that larger settlements can offer.

The dynamics behind the need for integration is therefore to lodge strategic planning and decision-making powers at the more elevated levels in the hierarchy, particularly the regional level.

But there is a countervailing imperative at work. It is now accepted as conventional wisdom that planning can only be effective if it is embedded in an institutional framework of stakeholders who contribute to the formulation, impact assessment and evaluation of alternative strategies. But participation of stakeholders becomes more relevant and successful in more immediate and local issues. The danger is that this local decision-making is mainly short termist. The more abstract and remote from local level discussion of policies decision-making becomes, the harder it is to retain the engagement of stakeholders. The skill level required to make participation successful at regional level becomes that much more demanding: running meetings, sensitivity to minorities, realistic objectives, resistance to capture by elites or special interests, understanding of and sympathy with informality, fairness: demands high calibre professionals. The risk is that if bodies undertaking strategic and integrational functions do not have these capacities they forsake the possibility of benefiting from the responsiveness and vitality intrinsic to a participatory approach and become bureaucratic, remote and inefficient.

Some commentators grappling with this issue have tried to overcome this disjuncture by emphasizing governance at the expense of government. Indeed, enthusiasm for governance in some quarters has elevated it to the level of a panacea. The argument runs thus: if the process of governance and participation is sufficiently embedded and therefore, powerful at the local level, it can overcome the problem of jurisdictional competition and decreased stakeholder interest at regional level through a natural widening of the scale of voluntary cooperation by stakeholder groups. In other words if participatory governance is strong enough it can overcome the short-term focus inherent in the approach.

Selecting specific issues that have “synergetic potential” can increase the chances for success of a participatory approach at regional and metropolitan level. These can become the basis for more specific institutional arrangements, usually in the form of thematic working groups and a steering committee.

One way of achieving this is to try and embed short term actions within a long term vision that encompasses larger areas. This was tried by Local Agenda 21 in Nakuru, Kenya

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where an attempt was made to incorporate the peri-urban area into the planning framework, based on participatory approaches.

However, this and other similar propositions for using the power of participation to overcome the bureaucratization of formal structures have bumped up against the common constraint that they lie outside the mainstream government decision-making process. Funding and implementation arrangements were particularly problematic. As a consequence, results remained marginal to the development process and replicability and upscaling remained undeveloped.

Proponents of the primacy of a governance approach are often neglectful of the weakness of civic culture in many areas. Undue respect for authority figures, a weak sense of voice, the primacy of ethnicity, etc. all undermine a willingness to engage with local governance.

There are other problems that the current urban institutional arrangements do not address. Although the problems of metropolitan regions have been emphasized here, most population growth in the developing world will take place in small and intermediate cities. Yet others face the problem of declining cities particularly, but not exclusively in the North (China has many declining cities). Sometimes these problems coexist in one country. However, these cities face the significant institutional problems, not least in terms of attracting and retaining the skilled staff needed to address their specific problems, including planning staff.

Not only are there horizontal problems of relations between cities, there are also vertical problems of disconnects between national and subnational governments at all levels. It is a natural role of national government to ensure balanced regional socio-economic development but the reality is that there are rarely strategies and policies to encourage coordination between the levels.

This phenomenon becomes particularly evident with regard to discontinuities between national plans and urban/ local plans, as the two rarely mesh, due at least in part to deficient institutional arrangements.

This disconnect is common to many institutional regimes. A silo culture commonly exists within national and local government units that diminishes the likelihood of voluntary collaboration both within and between entities. I would therefore argue that strategies are needed to address the soft element of institutions, that is their culture, norms and values,

if the changes are to be effective needed to grapple with the problems of fragmentation, ineffectiveness, and lack of coordination. It will require a concerted effort to change the current cultural imperative and to convert local government organisations into institutions that have cooperative cultures.

In sum, the burden of institutional challenges faced by sub-national institutions, both in terms of deficits in structures and in the cultures that dominate them is daunting. Indeed, it is argued here that there is a common global deficit in terms of what should constitute adequate institutional arrangements for sub-national management and planning.

### **INSTITUTIONAL PROBLEMS SPECIFIC TO PLANNING**

Problems faced by planning have been touched upon in this paper as a subset of wider institutional issues described previously. But there are some issues specific to planning.

First of all planning has a vision problem, both with the public and in terms of its own self-perception. It draws its historical inspiration from comprehensive control and management of change through the medium of landuse, a legacy at least in part from the heyday of the planned economy. Sometimes planners are more loyal to these professional methods derived from previous eras and other traditions rather than situational or contextual requirements in which they operate.

Second, if planners are not sensible to social and economic change their work quickly becomes outdated and ignored. It also means that they are isolated from the entities within which they need to work and contribute to the silo culture.

Many parts of the planning profession have moved on from this, but the inheritance is still there. It is discussed later in the paper that a new paradigm of modernised planning contains within it the seeds of positive change not only for the pursuit of good planning but also as an institutional support for all local government operations. But in the meantime it has the legacy problem of sometimes being seen as being at odds with requirements of stakeholder driven governance initiatives.

Third, macro-economic development planning by national governments is rarely systematically translated into spatially specific investment plans other than those implemented by sectoral ministries. Even in China, where urban planning is perceived to be the handmaiden of economic planning so as to materialize economic development - and this relationship

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is generally thought to be successful - there are significant problems (Ding, et. al., 2009). In reality local land use plans in China are non-economic in nature and little is done to make cost-benefit assessments of competing land uses. Planners rarely have the skills to fulfill this important task (nor, it might be argued, have economists been educated to understand or appreciate spatial considerations). Local land use planning cycles are unsynchronized with national plans. Although one may argue it is not the job of local planners to implement national government dictates, there is also a need to ensure some basic level of harmonisation.

## INSTITUTIONAL CHANGE

It has been established in this paper that the institutional framework in many countries is not up to the mark and critical reforms are needed. However, there is no silver bullet to fix problems resulting from institutional deficits. The components of reform have been addressed here one-by-one.

First, countries need to develop effective systems of multi-level governance. This is a framework based on suitable decentralization policies that will assist in the creation of a balanced and collaborative system of properly managed cities with productive urban-rural linkages. The framework is not a simple hierarchy, but should be seen more as a network of relationships between cooperating entities. A key word for the relationship is once again integration a term that will re-occur again below.

Second, and this is what makes multi-level governance an institutional relationship rather than an organizational one, is the culture of interactions both within and between entities of enhanced integration and cooperation. One author calls this institutional collective action when it has emerged organically without government intervention (Auzins, 2004). He conceives this as a web of voluntary agreements and associations that provides the adhesive to hold fragmented communities together.

Unfortunately, however desirable institutional collective action is, it cannot be relied on to emerge naturally given that there are many countervailing forces. National governments are theoretically best placed to foster the culture of integration throughout all layers of government by consciously valuing and rewarding collective achievements by entities. They are also able to facilitate the required dialogue concerning the substance of these relationships by actively initiating and brokering discussions. But very few governments are doing this at the moment.

Once sub-national governments start echoing the theme of cooperation a virtuous cycle of integration can be commenced.

The institutional culture has been emphasized here as a much neglected theme. How the new culture manifests itself will depend on local circumstances it can range from informal cooperation between entities to structured relationships governed by prescriptive regulation. The point is that no matter what the driving imperative is, it has to become the default norm for institutional relationships and workforce behaviour in all countries.

Third, these relationships are best carried out in the context of national urban plans that will provide the policies that will fill the framework described in my first point in this section. These policies will reflect the reality of current distributions of population of where people live and work. They will reflect the importance of all levels of human settlements and will match policies, administrative boundaries and the allocation of competencies of entities to contemporary conditions. In many countries local authority boundaries can only be explained by references to the distribution of power possibly centuries ago and adjustments may be needed. Where prescriptive standards are thought necessary national standards could be related to quantitative criteria such as population thresholds for different tiers of subnational government.

Fourth, effective multi-level governance requires the participation of an empowered civil society. The national frameworks that have been suggested here are needed to create a platform for productive collaboration and to institutionalize participation and democratic good governance. Boosting civil society participation, emphasising the role of the poor, the excluded and minorities, and deepening and broadening civil society itself, is essential. These should not be optional extras in the crafting of the legal and regulatory framework. The institutional niches that civil society should occupy and the rules of engagement should be made clear. Particular care should be given to specifying the role of civil society in ensuring accountability. All of these will be a particular challenge at the metropolitan level where the successful pursuit of participation is at its most difficult.

The culture of collaboration and integration does not happen by chance. Systemic capacity building of national and sub-national governments and civil society to carry out their governance roles should be part of any institutional development strategy to create multi-level governance. This

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is particularly important in areas where civil society is not accustomed to playing an important role, and in boosting the role of women, youth and marginalized groups in particular.

Fifthly, metropolitan and regional governance will be a particular area of focus in multi-level governance. This is the level that requires the greatest degree of innovation and adaptiveness, given the critical but also delicate roles that these entities will have to play in institutional innovation. Local authorities, jealous of their perquisites, will always be apprehensive of the regions and metropolitan areas and will not wish to be dictated to. Regions and metropolitan areas will have to behave in a way that will not antagonize what should be their closest allies. The example of the Greater London Authority is one case in point. Its remit is primarily to encourage economic competitiveness and social cohesion and not just service delivery, although it has a critical role in a major sector such as transport. It relies on the London boroughs to do much of the implementation and therefore has to retain their confidence. It does this by consulting, not imposing and exercising a pragmatic responsiveness. It concentrates on planning, coordinating and integration. It therefore has a light structure of only six hundred employees.

#### **ROLE OF PLANNING IN PROMOTING INSTITUTIONAL DEVELOPMENT**

Planning is not just a beneficiary of the measures described above; it also provides the one of the most important drivers by which multi-level governance can be executed. National plans, as described above, can provide the framework for collaboration and integration between the tiers with the aim of promoting more balanced regional development. The existence of such plans provides an incentive for collaboration between subnational entities and the integration of sectoral plans produced by ministries and development agencies. Although cooperation can never be guaranteed and conflict is almost inevitable, integrated planning is a zero plus game from which everyone has the possibility of benefiting.

Planning is the only discipline that can undertake the role of guiding the development of these plans. But planning has other possibilities. As repeatedly mentioned earlier that the

new order of multi-level governance has integration as its watchword, thus being what is required to overcome the discontinuities and wasteful competition common to current setups. Although the weakness of historical planning has been its concern with comprehensiveness, formality and legalistic landuse control, it also has in its genetic makeup a body of methods, values and principles that can facilitate integration between social, economic and environmental considerations in the way that no other discipline can. It can relate need to programme design and implementation, integrate across sectors, relate the strategic to the immediate, and lead to tangible products such as location specific investment plans (buildings and infrastructure) in ways that other disciplines cannot (Adriana, 2003). One weakness has often been that it is used to control development rather than facilitate it so that it happens efficiently and effectively. As a result it has been isolated from budgeting, including infrastructure budgeting. This needs to be remedied. But some recent incarnations of strategic planning have enabled to live up to its promise as a positive, integrative tool that can marshal the contributions of other disciplines.

However, planning has to continue to transform itself in order to take advantage of these opportunities. Planning by prescription will not work, or if it does, only in highly circumscribed settings such as in autonomous development corporations. Rather, the planning profession's input is as one of many, but more in the role of integrator rather than as leader or decision-maker. It has to value non-technical knowledge and see the involvement of the community in planning and decision-making as an indispensable component rather than as an optional extra.

#### **CONCLUSION**

Institutional change is both organizational and cultural. The global default system based on hierarchy and authority needs to be replaced by networks, integration between levels and consensus building. Participation by civil society is essential. Planning is by turns progenitor, victim and driver of change. Transformed attitudes by governments at all levels, including national government, is key and Habitat III at Quito (Habitat III, 2016) needs to press the reset button to establish the new order of institutional relationships.

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