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INNOVATIONS ANDCOLLABORATIONINGLOBAL CITY-REGION GOVERNANCE

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*Innovations and Collaboration*  
*global city-region governance*

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## PREFACE

This monograph is a work of labor and love that took too long to see the light of day. The started as a project designed to support the regional planning process for New York's Fourth Regional Plan being compiled by the world's oldest and most unusual organization, New York Regional Plan Association (RPA) which was founded by civic groups in nearly a century ago in 1925 to guide a rationale planning process for the continuing dis-coordinated and frequently counterproductive process carried on by four state government, numerous regional authorities and nearly one hundred cities bordering on the great City of New York. The Fourth Regional Plan is being released in 2016. Needless to say each of the earlier regional plans addressed issue salient to the era in which they were crafted. Even though RPA has no legislative mandate nor is it a tool of State or local government its PLANS are the cornerstone of government and private actors' decisions and actions. In part, RPA is successful because its Board is composed of leading corporate and community actors. While government officials do not serve on the board, the large over 80-person board has a number of powerful ex-public agency heads and even one ex-governor of New Jersey as key member of the board and on key external committees. The Board is a who's who of community leadership crossing ethnic, color and political lines. There is one solid pillar that holds the Board and the organization together-they are all PROGRESSIVES. This is the Board, Staff and participating collaborators have a share belief in the fundamental need to move to the future and embrace inclusive change. In this sense, they may seem narrow in a polarized "me-first" era. But this bedrock belief structure drives the

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organization so completely that no political regime in Greater New York States of Connecticut, New York, New Jersey nor big cities leaders have shaken their course. Since political systems and public leaders have a difficult time agreeing the RPA acts as a facilitator and compose for a heterogeneous polyglot of institutions that govern over 19 million people. Thus the scope of the task of finding common ground and shaping a clear course for such an unwieldy group has been undertaken by RPA with remarkable success. RPA's influence and its guidance in good and bad times make it the glue that hold Greater New York together. Other metropolitan areas have undertaken similar mission but all with government organized or sponsored institutions as the base entity. In this respect Greater New York with RPA is an outlier with no peers. So, as RPA commenced the process of developing its Fourth Plan, the latest since 19--, the leadership of the organization, the Board and senior staff wanted to know who was doing what in regional governance around the world. As a Board member and international development specialist, I was keen to examine this issue personally. Without boring readers, we quickly dismissed the usual comparative analysis of similar agencies. First, there are no similar agencies and second, who cares? What we did need to know is how complex metropolitan organizations solve complex problems in messy, confused, uncoordinated and non-governed globally relevant situations. This became my task to find such places and problems and divine some lessons useful for the Fourth Plan. Of course, I had to do this with almost no budget. We did get a bit of support from the Lincoln Institute of Land Policy<sup>1</sup>. Initially, we proposed to do real global field work. That idea died in the first week. We looked at many alternatives and finally settled on the approach in this monograph which is a combination of locals providing data and information from which we wrote and re-wrote drafts until we crafted

a coherent narrative. While this approach had financial advantages is lacked any ability to work within a time budget or develop uniform data sets which one does when there is a comparative analytical framework based on the ability to collect and refine field data. This is a compromise. We hesitated to have the usual edited book since the writers controlled the problem and output. We wanted certain information based on field problems that might inform the New York regional planning effort. So, we commandeered friends and colleagues to help us delve into the problems described here. Alas, since we had a number of issues and different means of attack, we were unable to create the clean template that we aspired to create. Moreover, it took more than two years post writing to gain the approvals to turn this work into a book-like monograph. We admit to the flaws and the lack of timeliness. What is worse as time marches on the setting in which these issues were attacked in the host nations have had dramatic and sometime cataclysmic transformation. For example, Brazil and Nigeria looked like they were on a solid path to enlightened futures when we were developing and writing this work. Both these nations have fallen into dark holes. No one knows if and how they will emerge. But, we thought all this work had to be put on the record. Where we can we provide updates but the past conditions forged the problems and the paths to solution.

One can say is this too little and too late. We think not, the global problems are global in type and universal in application. We used some of this data in forging the New York Regional Fourth Plan. So, the approaches have currency. It is a record and an investigative set of tools we think stand the test of time.

## Introduction: Making the Case

The notion of regionalism is not new. “Region” may be a current buzzword in urban geography, planning, public administration, and public policy, but regions are scarcely new ideas. Well before cities were a dominant form of jurisdictional organization, regional states were common throughout the Western world. For example, the Roman Empire was subdivided into regions that were bounded by mountains or rivers or other physical barriers within which the people usually spoke a common idiom. Nation-states only emerged clearly in the eighteenth and nineteenth centuries, with several, like Italy in the twentieth century, as amalgams of regions led by a single head, king, or religious patriarch. So the longer-standing conceptual base of geopolitical organization is not the nation-state but the regional state.

More recently, in the early twentieth century, the progressive political movement championed regionalism over small composites of fragmented localism in the United States. New York City was formed from smaller towns into boroughs that continue with their old names, for example, Brooklyn Heights, but are now solidly under one political aegis.<sup>2</sup> Later, an entire literature grew on public sector agglomerative efficiencies based on the work of Elinor Ostrom, who looked at the efficiencies and quality gains from governmental consolidations into regional organizations.<sup>3</sup> This work laid the intellectual foundation for new regional city amalgamations with public ballot consent in Indianapolis, Dade-Miami in Florida, and Louisville City and County, Kentucky.<sup>4</sup> In Europe, especially in France and Spain, these notions of more powerful government on a large scale also took



hold in the late twentieth century. Canadians picked up on this theme, creating various amalgamated governments in most of the major capital cities, with particularly innovative approaches in Toronto and Vancouver. Brisbane is the only such large-scale amalgamation in Australia, while post-World War II Japan copied this approach by creating large amalgamated political jurisdictions. However, these were and are administrative composites, sometimes lacking integration as complete urban landscapes.<sup>5</sup>

These regional governmental strategies are a response to the need to provide an integrated response to the increasingly complex intersections shaping urban life. Similarly, regional governmental approaches have also grown to serve numerous specific purposes. For example, Portland, Oregon, is the seedbed for environmental regionalism as a sustainable protection zone.<sup>6</sup> The special purpose regional government has also been imposed by the national government in the United States for transportation, air, and water quality. These special purpose governmental entities are derived from both national and state legislation that provides them with wide-ranging powers, including the ability to start and stop real estate development and limit firm locations to reduce smog or protect habitat. In Columbus, Ohio, the central city government has regional powers over the suburban government as a result of providing water and waste removal services. The State of Florida has mandated regional land-use planning bodies to protect sensitive environments and coordinate service delivery. European national and state governments have developed similar regional networks of governments and cross-jurisdictional authorities.<sup>7</sup>

Regionalism also flourishes outside of formal municipal government. This is particularly true in cases where the delivery of large-scale infrastructure has dictated the creation of regional institutional arrangements, often reaching across clear geographic areas such as

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watersheds. Traditionally, water authorities were regional governing organizations with a single purpose. However, because water is delivered to businesses and homes, water authorities started to exercise authority over the location of firms and housing developments. In some cases, the water authorities in places like Southern California and Melbourne, Australia, wielded significant influence across the region,<sup>8</sup> reaching across jurisdictional boundaries in ways that local governments could not.

So as this brief overview suggests, the drivers for larger regional metropolitan governance have a long history and deep roots. At the same time, however, such efforts have been intermittent and limited in scope. As the twenty-first century sees more and more cities around the world mushroom into sprawling megacities of over ten million inhabitants, it is becoming clear that the halting steps taken toward regional urban management in the twentieth century will no longer suffice. Instead, it is increasingly apparent that innovative regional approaches will be needed to address the novel and pressing environmental, economic, and social justice challenges this rapid urbanization poses.

Such regional approaches are seen by many as particularly important in the Internet era, when ideas and investment travel as quickly as the speed of light. The key actors are different in a globalized economy. The extent of this economic transformation is evident when considering that Apple's 2012 market capitalization of half a trillion US dollars was greater than that of most European nations. Multinational companies now have more power than some national and most urban governments, and old forms of government do not always satisfy the new requirements of urban economic competitiveness. This economic

transformation means a fundamental shift in urban management is required. As Buck argues,

The roots of this new urban consciousness lie neither in a reevaluation of urban ways of life nor spontaneous upturn in big city economies, but in much broader concerns with social, economic and political changes required by a qualitatively different economic environment.<sup>9</sup>

As a result, the stakeholders in urban economics have shifted so that it is now increasingly important that the governments and private sector entities that occupy the same politico-economic space develop common urban agendas. Without this, cities may find that global firms can and do move; as Blakely points out in his work on the locus, global firms have no fixed location, only suppliers and customers.<sup>10</sup> Creating a shared regional urban agenda can help local governments to ensure the involvement of private firms and civic groups. They can provide essential regional services described above—water, transport, and air quality, for example—but can also engage in marketing and developing the region as a whole as an attractive place to live and work.<sup>11</sup> Richard Florida takes this point further, arguing that shaping the regional economic environment with a new base resource of human intelligence *must* be a joint enterprise, not the role of government alone.<sup>12</sup>

Recognizing this fundamental economic shift as well as the growing impact and importance of the world's burgeoning megacities, much has been made in recent urban scholarship of the emergence of the urban region as the new nexus for economic power and political intercourse. Saskia Sassen and others have helped to frame a vast literature on the new *global regions* as the form and forum for governance of the modern postindustrial world.<sup>13</sup> This literature has myriad subthemes in several disciplines, ranging

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from political science to urban planning to geography.<sup>14</sup> For our purposes, the key insight this literature provides is that there is usually no dominant institutional governing form for these megacity regions as there is for nation-states and their current sub entities of provinces, states, cities, towns, or villages.

This book is based on a commission from the Regional Plan Association of New York to find out how, despite the lack of formal governance structures, these jurisdictional amalgams called regions are increasingly becoming the template for the organization and governance of the world's existing and emerging megacities. This shift brings many challenges. The rising urban regional conglomerates of cities and towns seldom have significant legal powers but are associated loosely with informal or cooperative networks of governmental and nongovernmental entities. In some places, higher levels of government have designated regional organizations and institutions to govern some aspects of the region but seldom all of them. Since most metropolitan regions are comprised of both a center city and suburban municipalities, the ability of individual city governments to develop and implement effective regional plans is limited. Consequently, most city regions suffer from failures of coordination, vision, and leadership, because they lack the structures, incentives, and capacity to address the challenges of megacity growth. This problem is exacerbated by the need to address increasingly complex challenges like climate change adaptation, disaster risk management, enhancement of social justice, and

maintenance aim of economic competitiveness in the face of rapid globalization and urbanization. All of these issues must be addressed at a globally connected regional scale.

### **New context for the global region**

Urban scholars and practitioners are now recognizing the necessity of melding economic, social, political, and environmental issues into a unifying framework of some kind to achieve shared regional goals. Increasingly, effective regional planning is considered a powerful means of improving the quality of life, prosperity, resiliency, and sustainability of large urban agglomerations. To be successful, such regional planning efforts need to coordinate the involvement not only of multiple levels of government but also of various forms of private, public–private, and civic enterprises.

Given the extent of this challenge, there is an increasing worldwide need to promote the sharing of knowledge among decision-makers and planners about successful innovations in regional planning and governance. Successful regional/megacity planning is a dynamic process requiring leadership commitment, institutional innovation, learning and experimentation, and inventive responses to external catalysts. With these key ingredients, regional planning and governance can contribute significantly to the quality of life in, and competitiveness and resilience of, these places.<sup>15</sup>

### **New forces and new focuses**

While the notion of regional governance has firm historical precedents, management of today's global city regions requires more than simply implementing the right governmental approaches. Instead, the most successful approaches to regional management to date take a multi-institutional form that includes government as well as other private and civic actors. The oldest and boldest of this new form of regionalism is New York's Regional Plan

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Association (RPA). Established in 1922, the Regional Plan Association is the world's oldest metropolitan strategic planning organization. For nearly a century, RPA has developed regional plans, policies, and investment strategies designed to improve the quality of life, economic vitality, and environmental sustainability of the multiple municipalities that make up the New York–New Jersey–Connecticut metropolitan region, one of the world's largest metropolitan areas. A nonprofit collaborative reaching across state borders to cover the natural watershed of New York City, this organization helps to guide the environmental and economic destiny of this region. While the City of New York is the dominant urban jurisdiction, even this Gotham must rely on a panoply of other governments as well as on quasi-governmental and private organizations to create a livable space and an integrated economy. RPA is the glue that holds the fabric of regional destiny together, promoting coordinated and consistent long-term visions and principles to make a three-state natural region a globally competitive enterprise.

The idea of this project sprang from my long association with RPA when I started serving as a board member in 1999. When the RPA board endorsed the concept of engaging in a Fourth Regional Plan in 2007, I was serving as a board member from Sydney, Australia. While this might sound strange, my connection with RPA took an international dimension, with me bringing in ideas from an Australia–Asia–Pacific viewpoint as I consulted in that world region. Moreover, Bob Yaro, through several World Bank Associates, was engaged in international assessments of regional plans and policies. Both Yaro and I felt a global, regional perspective would aid the Fourth Plan efforts. So this effort emerged as a charge to see how globally recognizable problems were approached by other regional entities with similar mandates to RPA. After brainstorming, we decided upon a list of places working

on global issues that might make interesting cases for RPA. Of course, connections with leaders in the places along with the types of issues drove the development of the list. Frankly, no scientific strictures were applied beyond the knowledge of the place's contemporary issues and likely collaborators. The rigor of this work is in the insights and not the comparisons. To our knowledge, no one has attempted to do this before.

### **The RPA template**

A cornerstone of RPA's work is the development of long-range plans and policies to guide the growth of the region. For nearly two decades, RPA's work has focused largely on implementing the ideas put forth in the Third Regional Plan, completed in 1996. Because RPA does not have statutory authority, it cannot compel the region's component states, count municipalities, or public authorities to adopt its recommendations. Instead, RPA must build public and political support for agencies at all levels to encourage the adoption of the plan's key recommendations. In this respect, RPA is the quintessential global, regional institution operating with a self-developed collaborative framework, shaping an agenda for the geospace of the region. Its goal is to generate an identifiable metropolitan institutional framework for solving cross-governmental and cross-institutional problems that are global in dimension, ranging from international trade to social policy to community development.

RPA is in many ways the gold standard for regional megacity collaboration. The RPA model is not the only workable approach to regionalism, nor is it necessarily an achievable model for all global megacity regions. Other approaches may work to varying extents in different cities dealing with different issues. So while other megacities have many things to learn from New York's experience, New York can also learn from the regional

governance experiences of other megacities. It is for this reason that RPA has fostered and participated in this research project.

### **Overview of the project**

This tome is inspired, as stated before, by the search for to the best approaches to dealing with some of the key challenges that face New York and other globally significant city-regions. As part of the research process for its Fourth Regional Plan, to be released in 2016–2017, RPA is conducting research about and seeking input from other world cities that are addressing many of the same challenges facing New York. This process, involving developing connections between government, business, and civic leaders from the New York region and their counterparts in key peer cities around the globe, will enable RPA to incorporate best practices from other current and emerging global cities into the Fourth Regional Plan for the New York region.

It is RPA’s experience that effective regional planning begins with the examination and analysis of emerging conditions and with identifying trends and evaluating alternate courses of action that can “bend” trends toward desired outcomes. A deep analysis of economic, demographic, and social trends, including the changing nature of work, global competition, family structures, immigration, the suburbanization of poverty, social mobility urbanization, climate change, and other conditions, provides the basis of RPA’s regional planning process, now in its fourth iteration. Experts in related fields and comparative analysis from other regions will provide a context for determining conditions that can be addressed through local or regional actions and for identifying best practices.



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Scenarios of likely outcomes using different sets of assumptions will help determine the most effective approaches that can respond to a range of policy contexts.

This book is a small contribution toward this broader process of seeing planning as problem-solving and not merely as physical design, regulation, and social engineering, the goals of which have guided us as we designed the research approach for this work. We looked at a variety of regional organizational templates from varying urban settings from across the globe to see how these templates are being used to manage shared global challenges like housing, poverty, and the environment. Each chapter considers not only a specific city but also a specific problem that requires a regional solution—be it economic development in Shanghai, food distribution in Chicago, or sustainability in Melbourne. These cases examine the key urban/regional entities through the lens of the problems they have to solve. While the degree of regional collaboration varies, all of the places we have chosen are working through and around the existing political, social, and geographic structures to achieve something unusual and effective on regional scale.

After much discussion and deliberation, the author and RPA decided to focus on eight globally significant urban regions that are tackling global issues similar to those facing the

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New York region: Shanghai, London, Chicago, San Francisco, São Paulo, Lagos, Melbourne, and Toronto.

**Figure 1: Greyed-out base map: World Light Gray Canvas, ESRI 2012**



The eight regions selected are partly a function of the dilemmas we wanted to investigate, are partly designed to offer a broad global spread and are partly reflective of the pragmatic need to find key informants who might collaborate with us in putting the cases together. In each selected global, regional locality, we found a local expert who provided us with relevant background information and then reviewed our drafts as we developed the case study and teased out the central story. In this respect, we followed a modified version of the Harvard Case Study approach, where we put the cases together from the information supplied. We used this approach so all the cases would emerge with a common voice and direction. By doing this, we were able to provide a clearer, more accessible format for our

work. We think this approach worked well and that the resulting text balances insight and accessibility in a way that will be particularly appealing to urban practitioners.

In some different ways, the scope of this work has been designed to be as broad as possible. We look at collaborations within the regional space from a wide-ranging perspective, considering the role of government, private interests, and civic actors. We have sought to cover a range of different types of cities and a range of regional issues to provide a wide-reaching overview of the challenges and opportunities these places are encountering. It is for this reason that we believe the stories we have selected will provide valuable high-level insights for scholars and practitioners examining how to shape future regional directions, both in the cities considered here and in other megacities/regions across the globe.

### **Forms of collaborative regional governance**

Before turning to these stories, it helps to conduct a brief review of the kinds of regional governance approaches that have prevailed in the past, so that we can see how the cities covered here have adopted and adapted various aspects of existing models. Traditionally, the favored approach to regionalism—, particularly in the context of infrastructure provision—, was to form a new regional governing body. The downside to this approach was that the issue of who was in charge inevitably arose almost immediately because some of these regional organizations were formed with independent boards with little or no accountability to the parent political jurisdiction. Focusing on this issue of control, Hutton et al. created the following typology of regional approaches.<sup>16</sup>

**Complete independence from government**—Regional efforts undertaken by private and civic groups, underpinned by either stated or unstated coordination with the government but without legislation. RPA is the quintessential example of this approach. Groups like

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Joint Venture Silicon Valley in San Jose–San Francisco and Melbourne, Australia’s Committee for Melbourne fall into this category. There is no formal written agreement that binds the civic collaborative with the government; there is just an agreed upon working relationship *with no one in charge*.

**Informal collaboration**—This approach is set up by some form of mandate or principles laying out a degree of stated collaboration between government and other private and civic players. For example, city governments often enter into nonbinding agreements to establish a marketing organization and to collaborate with civic/business groups for a regional promotion. City councils, for historic reasons, might be reluctant to make a formal agreement when citizens might infer that a regional arrangement favors one of the municipalities more than others—such as in the case of regional promotion for the San Francisco Bay Area. Regional collaborative frameworks reduce internal competition, so work with civic organizations is mutually beneficial. A formal agreement commits funds on a regular basis, so the informal agreement is preferred.

**Partial integration**—This approach involves a situation where multiple jurisdictions collectively produce large events or manage a mutually beneficial utility. In these arrangements, the local governments help form a new agency to deliver particular services such as job training and economic development. This is the approach used for many services provided by the Greater London Authority in the UK, with city staff working directly in or with the regional entity.

**Full integration**—This approach involves the total integration of civic groups with the government, as has occurred in Portland and Shanghai and Lagos. In these cases, public bodies are merged with civic and private organizations to develop, manage, and deliver

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services like airports, sports venues, transport, and a host of other programs. In this scenario, government cedes all authority to the merged entity and usually has elected or appointed members of the board of management.

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Using these four categories as a way to consider the cities covered in this book, we see the following similarities emerge.

<p><b>Issue</b></p> <p><i>Poverty alleviation with food (Chicago):</i> providing better ways to deal with rising poverty and income distribution within a region and not merely moving the problems to other places</p>	<p><i>Community-led organization with emphasis on infrastructure and community development</i></p>	<p><b>Complete independence</b></p>
<p><i>Regional/sustainable planning and climate change (Melbourne):</i> planning and enhancing sustainable outcomes across regional borders</p>	<p><i>Nonprofit spanning local and state governments in a large region to set goals and champion regional developments</i></p>	<p><b>Complete independence</b></p>
<p><i>Housing and infrastructure for the poor (São Paulo):</i> dealing innovatively by generating new capacities and systems of collaboration to deliver housing across a region</p>	<p><i>Multispectral organization to work collaboratively and many multi-agency problems</i></p>	<p><b>Informal collaboration</b></p>
<p><i>Regional land-use planning (San Francisco):</i> developing new modes or models of region-wide transportation with strong patronage, well financed to meet the needs of a growing population while reducing auto dependency</p>	<p><i>Government-led and sponsored regional collaborative</i></p>	<p><b>Informal collaboration</b></p>
<p><i>Environmental protection (Toronto):</i> developing approaches to deal with land use and similar environmental issues in ways that are effective and replicable</p>	<p><i>Public-private initiative to span contending institutional forces in cross-jurisdictional and cross-sectorial arenas</i></p>	<p><b>Partial integration</b></p>

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<i>Issue</i>	<i>Leadership</i>	<i>Integration</i>
<p><i>Economic development (London):</i> the creation and generation of structures designed to foster new business and job formation across municipal boundaries and to take the lead in the Olympic games in 2012</p>	<p><i>Government-led public-private partnership</i></p>	<p><b>Partial integration</b></p>
<p><i>Finance/Trade (Shanghai):</i> goes beyond collection of taxes and includes new approaches to generate regional wealth or to distribute regional financial resources</p>	<p><i>Government-led institutional framework to advance common public and private agendas</i></p>	<p><b>Full integration</b></p>
<p><i>Large-scale urban infrastructure (Lagos):</i> delivering mass transit and related complicated multijurisdictional connective infrastructure requires regional collaboration with institutional capacity not merely to engineer the new projects but to govern them over time</p>	<p><i>Government-led institutional framework to advance common public and private agendas</i></p>	<p><b>Full integration</b></p>

While these categories provide some basic sense of how regionalism is working in these places, there isn't much literature to date that focuses on how and why some places are



better able than others to produce innovative solutions to complex multijurisdictional problems. Thus, an important purpose of the project is to explore how different actors in these places are approaching tough problems using a range of additional regional approaches that go beyond the organization charts and official city structures.

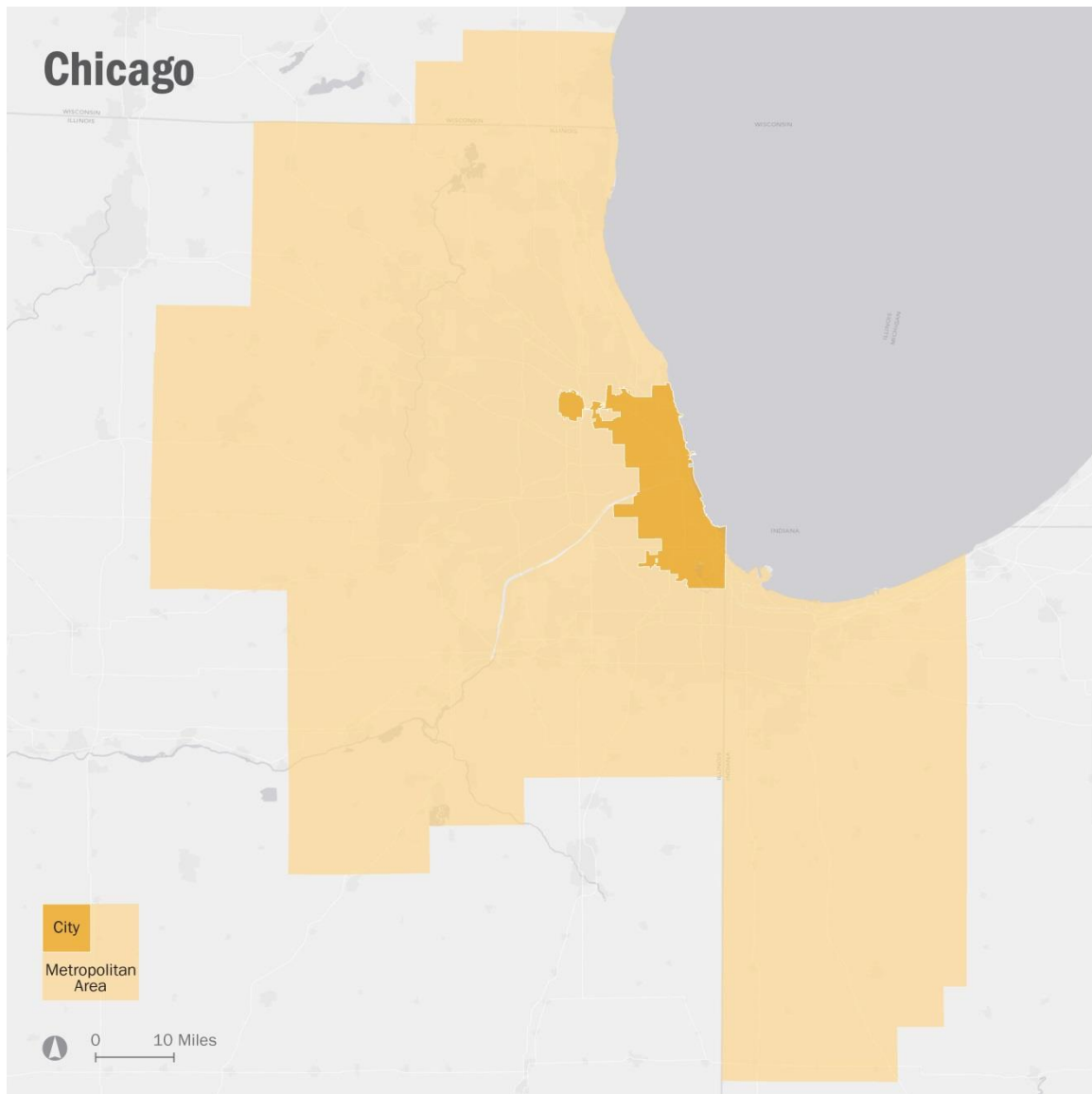
### **Conclusions**

The key contribution of this work is that it goes beyond describing the theory or structure of different global metropolitan organizations to examining how they perform in practice under the stress of dealing with complex regional challenges. This practical focus is important, as we believe we can best learn how to manage the next generation of global places by seeing what current organizations do and how new regional configurations are being formed. To this end, each chapter concludes with lessons that reach beyond the particular city or issue in question. We hope that these lessons will provide a useful template for urban practitioners as they confront the challenge of urban, regional governance in years to come.

We recognize that the dates shape the story here. We will not tamper too much with the stories data setting because to do so alters the story.

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Global Chicago: A land of plenty in a sea of want



<b>Topic</b>	<b>Indicator</b>	<b>Data</b>	<b>Source</b>
<b>Residents</b>	<i>City, 2000</i>	2,896,016	U.S. Census
	<i>City, 2010</i>	2,695,598	U.S. Census
	<i>Metro, 2000</i>	9,098,316	U.S. Census
	<i>Metro, 2010</i>	9,461,105	U.S. Census
<b>Employment</b>	<i>Metro, 2000</i>	4,571,392	U.S. Bureau of Labor Statistics
	<i>Metro, 2010</i>	4,248,433	U. S. Bureau of Labor Statistics
<b>GDP</b>	<i>Regional GDP Per Capita, 2010</i>	\$ 56,265	U.S. Bureau of Economic Analysis
	<i>National GDP Per Capita (USD), 2010</i>	\$ 46,612	The World Bank
<b>Surface Area</b>	<i>City (sq. km, excluding water area)</i>	590	U.S. Census
	<i>Metro (sq. km, excluding water area)</i>	18,640	U.S. Census
<b>Government</b>	<i>Number of Jurisdictions in Metro</i>	14 counties across two states, including 307 local municipalities (cities, towns, and villages)	U.S. Census

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	<i>Presence of Overall Metropolitan Government</i>	No, although Chicago Metropolitan Agency for Planning, a federal metropolitan planning organization, oversees the land-use and transportation planning for seven counties within the metropolitan area
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**Introduction**

Few places in the world enjoy the physical and natural resource endowments of the Chicago region. Chicago animates and personifies America’s heartland. Since the Louisiana Purchase in 1803, Chicago has dominated the resource base of the United States. Situated at the intersection of the world’s largest fresh waterways and connected to one of the world’s longest and strongest river systems, Chicago benefits from access to the agricultural product of a rich, fertile landscape while also tapping one of the world’s largest deposits of iron ore and coal. Chicago, in Bill Cronin’s words, is “Nature’s Metropolis.”<sup>17</sup> In his classic work, Cronin describes how Chicago transformed the lumber, wheat, and meat from its vast hinterlands into commodities for export. New York investors helped jump-start the expansion, but the extraordinary wealth that followed made Chicago a dominant player in the economic landscape of the United States. Chicago won the competition as the railway gateway for cross-country commerce.

The civic entrepreneurs who turned the region’s natural advantages into economic resources used the railway access to spread their influence to the Pacific coast. Los Angeles was the winter home and investment center for magnates like Wrigley (food), Sears (retailing), and Lincoln (electric engines), who leveraged their wealth from trade and manufacturing in Chicago to invest in farming and tourism in the growing west. At the same time, this civic elite

also fostered art, culture, technology, and education back in Chicago, building the now famous universities of Chicago and Northwestern as well as world-class museums and towering skyscrapers.

### **Context**

A certain arrogance and smugness characterized Chicago in the early twentieth century when money was easy. Chicago became synonymous with crime, graft, and corruption. Chicago mobsters like Al Capone wielded enormous civic power and controlled not only illegal activities like liquor and drugs during Prohibition but also reached into trade and distribution, controlling Mississippi freight and related industries. During this period, Chicago's national influence waned, and respect for its legitimate institutions diminished. Throughout the early twentieth century, a tug of war between high-minded civic business leaders and corrupt government officials created a civic standoff. Trapped in this malaise, government leadership sank into ill repute within the city and across the nation.

Efforts to clean up Chicago seemed futile until after Prohibition was repealed, removing the major source of illegal finance for the mobsters. But the culture of corruption in government remained. Business leaders countered this by erecting numerous philanthropic organizations to run publicly beneficial activities such as arts and culture. The Commercial Club mimicked Pittsburgh's Alleghany Commission by forming an elite organization that created a civic agenda outside the political system. While the Alleghany Commission worked to unify civic agendas beyond the City of Pittsburgh, the Commercial Club and other business alliances focused on electoral politics in Chicago, with no regard for the surrounding suburban cities.<sup>18</sup> Despite these efforts, Chicago's troubles continued. By mid-century, the city was hit with a mass exodus of elites and the middle class moving to the nearby suburbs to escape poor public

services, bad schools, and corrupt, unresponsive local government. Chicago’s population and its economy declined.

**Table C1: Population of Chicago and suburbs (+000) [Source: US Census]**

	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>
<b>Chicago</b>	3,550	3,369	3,005	2,784	2,896
<b>Suburbs</b>	2,671	3,628	4,421	4,627	5,377
<b>% in Suburbs</b>	43	52	59	62	65

Not only were people leaving Chicago; so were jobs. By 1990, two-thirds of the region’s jobs were located in the 940 local jurisdictions surrounding Chicago. There was no love lost between the city and the suburban municipalities. Suburban officials were often indifferent and occasionally hostile to the fortunes of the city, regardless of whether these suburban enclaves were rich or poor, black or white. Chicago’s black suburbanization started just a few years after “white flight,” stripping the city of a strong black middle class. Moreover, Chicago had one of the largest concentrations of public housing in the nation, much of it black and poor. Scenes of burnt-out buildings, drug dealing, and poorly lit graffiti-covered buildings on lawless streets became a poster image for parts of Chicago. As a result, suburban Chicago became—and remains—antagonistic to overtures from the city, since some suburbanites view themselves as “morally superior to the city.”<sup>19</sup> At the time of this release Chicago is definitely two divided cities: one very prosperous and the other the murder capital of the United States.

### **Defining region**

The Chicago region—what we refer to as “Global Chicago”—covers a broad swath of urban areas and river systems that flow into Lake Michigan. It is composed of 14 counties across two states, including 307 local municipalities (cities, towns, and villages). Metropolitan Chicago is described as the City of Chicago plus Cook County and the immediate commuter suburbs that

about this urban agglomeration. Data associated with this metropolitan area are used in the tables in this chapter. The City of Chicago is the largest urban area in the region, with powerful self-governing institutions that reach beyond the city limits, such as health and transportation.

### **Regional institutions**

In 1983, reform began to come to Chicago with the election of Harold Washington as the first black non-corrupt Mayor. Washington's election gave life to the notion that the city and suburbs had a common destiny. By the time Washington died in office in 1987, his legacy of clean government had made some suburban leaders a bit less apprehensive about sharing resources with the city. Another reason for this regional enlightenment was the general downward economic drift of both the city and the suburban economies. Steel mills closed in nearby cities, farmers' crops were in stiff competition with Canadian and Mexican agriculture, and jobs were leaking out overseas, with many high-end metals and material firms leaving the region or closing.

One of the most salient shared agendas between city and suburbs involved dealing with increasing poverty. Job losses were hurting even affluent suburbs. A report commissioned by the state legislature in 2000 showed that statewide, 29% of citizens were below the federal

official poverty level for a family. The issue was more extreme in Chicago and its suburbs than anywhere else in the state.<sup>20</sup>

**Table C2: Poverty levels in Chicago, 1997–2000. [Source: Current Population Survey 1997–2000, US Census]**

	<b>Chicago</b>	<b>Suburbs</b>
<b>In poverty</b>	19.4%	5.4%
<b>Children in poverty</b>	29.2%	7.9%
<b>Working-age adults in</b>	16%	4.1%
<b>Elderly in poverty</b>	14.4%	6%

So the city and suburbs had something in common. But having things in common did not forge a natural bridge of cooperation, at least initially. Chicago dominated the state legislature until the 1990s, but redistricting as a result of population shifts saw the loss of Democrat, city-based members, swinging the balance of votes toward Republican suburban representatives. Political competition between city and suburbs escalated, as the state legislature attempted to usurp powers from the city government and take over regional assets like the O’Hare Airport. Regional forced marriages among local governments as early as the 1970s helped keep the ailing city–regional transit system alive, giving birth to a regional transportation agency that could access federal funds. The state created the Northeast Illinois Planning Commission (NIPC) as a regional agency to coordinate the hydra-headed jurisdictional nightmare of 400 local government jurisdictions competing for infrastructure development. Mayor Richard M. Daley, the son of the formerly powerful but discredited boss-style Mayor Richard J. Daley, was elected in 1989 and continued the clean government directions of Harold Washington, thus gaining prestige by making common cause with suburban mayors. His efforts led to the formation of the Metropolitan Mayors Caucus in 1997. Business interests in regionalism supported the mayor’s agenda, in large measure because national and local media had begun



highlighting the successes of other regional efforts in Pittsburgh, New York, and San Francisco.<sup>21</sup>

In fact, regional planning for Chicago has always been a corporate-sponsored affair, ever since the Commercial Club commissioned Burnham's Plan in 1909. These efforts have resulted in the development of the Metropolitan Planning Council (formed in the 1940s), the Central Area Committee (from the 1950s), and later, Metropolis Strategies (dating to the 1990s). All of these organizations are institutional products of private corporations supporting and making "civic"-minded plans for the region. The emergence of sub regional cooperation among suburban mayors and managers happened because the NIPC lacked the legitimacy and political clout to foster local government collaboration directly. The clusters of municipalities found common cause in coordinating "win-win" service issues while avoiding tough affordable housing and environmental issues. So the Metro Mayors Caucus was an effort to blend local political leadership with corporate involvement.

The caucus started by supporting common issues like a regional legislative agenda. Contentious issues found less enthusiasm, such as the expansion of O'Hare Airport. On the civic side, Chicago's Metropolis 2020 plan was produced in 1999 by the Commercial Club to generate an overall economic development agenda for the region. The Metropolis 2020 plan is managed by Metropolis Strategies with the goal of economic development through progressive approaches to issues like regional growth management, clean air, and expanded infrastructure. It is entirely led by Chicago business and is modeled on Joint Venture Silicone Valley. The plan recognizes the interdependencies between city and region:

The Plan for Economic Growth and Jobs recognizes that Chicago and the surrounding communities constitute an economically co-dependent metropolitan area. Since the Plan focuses on economic growth, its analysis is largely regional in scope. The strategies it proposes are targeted to the geography of particular economic marketplaces. In some cases, the strategies

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seek to link neighborhood assets to particular economic activity in the city; others are focused on assets, such as industry clusters, that extend across the entire region. The Plan thus “starts with Chicago and looks outward.”<sup>22</sup>

The plan had little traction with most of the suburbs, but some closest to the city geographically have endorsed some of the major goals like affordable housing and poverty reduction. Affordable housing, job training, and poverty reduction are code words for dealing with Chicago’s and the surrounding suburbs’ “underclass class” issues.<sup>23</sup>

So although there are many regional players, Chicago continues to lack a joint regional public–private collaborative space. In Chicago, the regional action is not delivered through a long-term collaborative structure but through the lens of joint problem solving. As the 2000 Legislative report concludes:

While Chicago region is doing some things right, the long-term viability of regional governance is problematic. Regional mechanisms are in place. Regionalism currently has the involvement of top business leadership and a well-funded civic agency devoted to regional issues (Metropolitan Council). There is an active civic sector in place to promote networking and action on regional issues...the active civic sector ends with the Chicago boundaries. Civic agencies and business leaders representing suburban concerns are a distinct minority...The regional efforts seem narrowly focused on issues that benefit or are major concerns of Chicago...the lack of broad participation...raises questions...(for) suburban leaders who see mainly a Chicago focused agenda.<sup>24</sup>

Meanwhile, the geographic evidence made it clear that poverty was spreading across the region. Suburban officials might deny the facts, but the reality required attention and action. The legacy of racial division and corrupt city government made this message difficult to accept. At the same time, however, the elite civic support for Metropolis 2020 signaled growing recognition and support for long-term improvements in education and poverty alleviation as a crucial

requirement for regional economic security. Building on this momentum, the civic activists

**WELFARE INCOME AS % OF ALL INCOME: 1998'**



shifted focus to intermediate regional strategies that involved innovative collaboration with programs to reduce ongoing social disparities without inflaming divisive political issues. Food provision emerged as one such issue.

**Figure C1: Welfare as % of total income [Source: Metropolis 2020]**

**A regional issue: food for whom, how?**

It is paradoxical that the center of US agricultural production is also the location of some of the nation's deepest and most protracted hunger. In 2009, Cook County—the area surrounding Chicago—had almost 678,000 people each year who relied on emergency and supplemental

food provided by local nonprofit food distribution agencies. The largest of these, the Chicago Food Depository, estimated the following in 2006:

- About 37% of the people the Food Depository serves are children under 18.
- 9% of clients are children under 5;
- 6% of clients are homeless;
- 34% of households include at least one employed adult;
- 22% of households' report their main source of income is from a job;
- 10% own the place where they live;
- 44% receive SNAP/Food Stamp benefits;
- 47% of households say they have to choose between paying for food and utilities;
- 44% report choosing between paying for food and rent or mortgage; and
- 28% of clients say they have to choose between food and paying for medicine or healthcare.<sup>25</sup>

Clearly, the magnitude of the problem is significant, and some new and innovative approaches were needed to address it.

### **Forging a regional food collaboration**

Meeting the needs of the hungry poor had been part of the poverty alleviation efforts of nonprofit agencies for decades. Thousands of churches, townships, and community charities and some local governments had raised money to provide food and meals for low-income people across the Chicago region. The efforts were generous and well-meaning but fragmented and inefficient. The folks who helped create the Chicago Food Depository not only recognized

the unmet needs arising from this approach but also developed a large-scale organized response to identifying the gaps and filling them.

The Food Depository became an intermediary linking food collection from large corporate food processors and distributors with the vast network of small nonprofit food distributors. The organizers helped large corporate donors obtain donation tax benefits for what previously had been product waste. The organizational design of the repository made possible the economy of scale necessary to collect, consolidate, store, and repackage the full range of food products, from canned goods to fresh produce, and deliver it weekly to the thousands of food pantries and kitchens across the city. The success and ensuing dominance of the Food Depository have generated controversy among other providers involved in meeting the needs of the hungry. Gaps remain in the provision of donated food because the organization and location of pantries and other local distribution points depend on upon the initiative of local volunteers, churches, and agencies. Most importantly, the repository's food gleaning and distribution success were not a long-term solution to poverty, and the lack of commercial supermarkets and grocery stores in inner city neighborhoods were where the gaps were greatest.

But looking beyond these ongoing concerns about food provision, the key lesson from this experience is how successful the regional strategy developed by the Greater Chicago Food Depository has been. It has succeeded in closing the hunger gap to such a degree that in the last decade, attention on food provision has expanded to include the more encompassing health issues of nutrition and local food access. This shift in focus from hunger to food invited the participation of a wider range of advocacy, service, and community development agencies from all parts of the metropolitan region.

The Chicago Community Trust—a regional not-for-profit—played an important role in this shift by sponsoring the first Illinois Food Security Summit. This helped direct attention to the economic development dimensions of food provision on the regional and local scale. The

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summit served as the early convener of policy actors and agents to help define “the problem and scope of action.” The trust supported collaboration that included both local and regional nonprofit food activist organizations as well as more conventional corporate, government, and foundation actors. Once the various actors had developed different collaborations and a focus on the linkages between the food system and innovations in regional food provision, the trust funded a series of empirical studies with the Chicago Metropolitan Agency for Planning (CMAP, the seven-county agency successor to the Northwest Illinois Planning Commission). These studies described the intersection of food, hunger, and agriculture in the region. The most important finding was:

The repercussions of hunger, food insecurity and poor nutrition limit the ability of a household to seize *opportunities and move to exit poverty*. And the health consequences of eating patterns are apparent as well, with a rising obesity rate among low-income individuals, where kindergarten-aged children are overweight at more than twice the national rate.<sup>26</sup>

Poverty, hunger, and food supplies became, for all regional organizations, an economic development issue, not merely a “feel good, do good” social policy. As a result, poverty and the systematic distribution of food became a regional issue embraced by a consortium of regional entities to advance their goals, ranging from economic development to reducing homelessness to keeping a vital component of the nearby agriculture sector alive and well.

Central to the agriculture issue was the notion of food security and agricultural capacity. In other words, was the regional food network independent? Could Illinois and nearby states provide the food required for the growing population through nearby assets? Central to this is the question of who pays for what kind of food. It is not just food that is required but food that is nutritious, fresh, and inexpensive. As the Community Trust report notes:

Illinois is an agricultural powerhouse, ranking sixth in the nation in the total value of agricultural products sold. But interestingly, most of what Illinois grows doesn’t directly feed

humans, partly as a result of federal policies that subsidized high-volume crops like grains but not “specialties” crops like fruits and vegetables. Corn, soybeans and forage crops like alfalfa constitute the bulk of crops grown in the region. Only a tiny amount (0.007 percent) of cropland was harvested for vegetables in 2007. Of the 3,386 farms in the area, only seven percent (or 244 farms) produced food directly for human consumption in 2002.<sup>27</sup>

So the issue was not just supporting farming as currently practiced but supporting new farms and farm practices, small farms, community farming, and organic farming that delivers good quality human food close to consumers.

The rust-supported studies were moved from information to implementation through CMAP. CMAP’s role was to pull together the political institutions for policy and legal assistance. At the same time, the rust studies also provided fuel for plans and policies that the growing range of regional and local activist organizations and their government partners could use to make changes happen. For instance, the Chicago Food Policy Advisory Council teamed up with the City of Chicago to issue a *Healthy Eating and Living Report* in 2006. While the report focused on some good practices already in place, it was just beginning. It helped pave the way for more ambitious regional plans developed by CMAP, including:

- In the case of human capital, workforce training to support transitioning and future farmers and agricultural workers, both to replace current farmers (average age of 59) and provide job opportunities for lower-skilled workers, including ex-offenders. Existing facilities should have the ability to be used for both the global food system, where source of origin

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is not a concern, as well as for the local and organic systems, where it is critical to track a product from its source through processing and distribution;

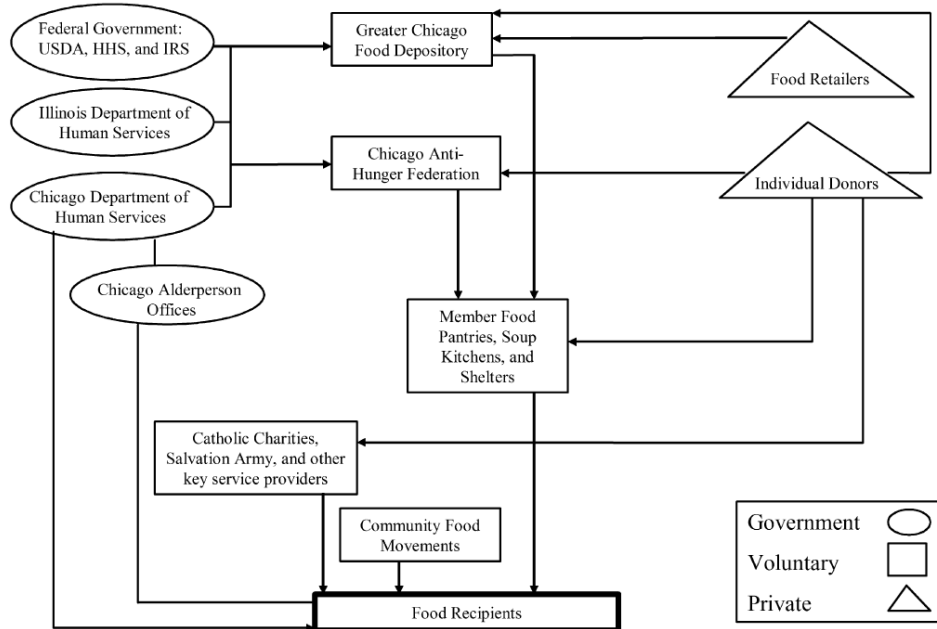
- Research to introduce new farming methods that will further improve the efficiency and sustainability of the region's farming practices;
- Educating people on healthier lifestyles and eating habits and growing and preparing nutritious foods. Potential major markets for local food consumption are institutions such as schools, hospitals, or jails. Local, state and federal food procurement standards should include a place for spending on local food; and
- Generating greater revenue and retaining more jobs by strengthening the investments in manufacturing and distribution systems. Food processing has been an economic engine in the seven-county region since the 1840s, and Chicago has long been a transportation and food hub of the United States.<sup>28</sup>

As a result of these initiatives, an innovative food delivery system was fashioned for the metro region, which tapped the distribution skill of the Chicago Food Depository to link new food producers and providers within an alternative food supply chain. Instead of just distributing donated food to the poor, the repository now helps nurture the economic development of new food system jobs in farms on the metropolitan periphery and along the delivery pipeline. This effort is aided by the fact that the United States provides food support for low-income families through a variety of mechanisms, the largest being the US Food Stamps program. Annually, \$78 billion is spent on food support programs in the United States. This massive subsidy for farmers and low- and modest-income people provides an opportunity for Global Chicago to create a program that allows new farmers to provide fresh fruits and vegetables to markets, knowing that they can receive generous recompense for their efforts. This encourages the growth of local farmers' markets, new small grocers, and other entrants into the food provision



system (see Figures C3 and C4). The complex chart below shows how many critical interventions were required to get food to the right people in the right places.

**Figure C2: Food distribution systems [Source: Chicago Food Bank, 2006]**



1. Chicago Food Bank Flow Chart. This figure shows the main government, voluntary, and private institutions involved in emergency food service delivery in Chicago.

This extremely multifaceted system is a powerful illustration of how regionalism can deal with complex problems that have a global form, such as food supply. In this case, the solution requires working with policy down from the national level, using agricultural subsidies to shape farming practices, converging regional needs, and food development and distribution systems, generating jobs, encouraging neighborhood food production, and changing human consumption. This is a multifaceted set of activities that no one level of actors can accomplish

on their own. It is only through this rich network of leadership, communication, and external resources (foundations) that an issue of this scale can be successfully tackled.

While issues of poverty and poor food quality persist, the regional approach to dealing with food challenges in Global Chicago has proven to be a win-win for the people and the economy.

**Figure C3: New forms of food production [Source: Metropolis 2020]**



**Figure C4: New forms of food distribution [Source: Mary Jo Follert.**

**<http://www.cmap.illinois.gov/about/2040/supporting-materials/process-archive/scenario-evaluation/scenario-outcomes/food>]**



### **Conclusions and lessons**

Total regional governance solutions are not always required to successfully confront regional problems. In many cases, problems prompt the formation of regional alliances, allowing

different jurisdictions to be party to solutions without surrendering political power or acceding to the control of broad-strokes regionalism. Poverty is both a global and a regional issue. No matter how rich the country, there are always, for a host of reasons, people who are poorly fed and lacking in the capacity to generate their resources. While dealing with this matter is often the sole province of the advanced welfare state, it is also clear that state institutions are not always able to span these issues and deliver at the micro level. Government bureaucracies in agriculture and human welfare seldom merge their capacities to serve the same clients. So regional efforts emerge like the Chicago example, where there is a win-win outcome with successful resource sharing and no power lost. Chicago's regional fragmentation is maddeningly complex and lacking in the common ground except on issues like food and transport, where the end user needs can only be met through collaborations. In some cases, like transport, forced marriages are required. But poverty and food that affect a dispersed population require the cooperation of numerous players inside and outside government. In essence, Chicago is an illustration of how "wicked problems" are more easily addressed when traditional institutions can win by joining in the solution without having to alter their core behavior. Other global regional issues such as disaster risk reduction have a similar character, with an acknowledged template larger than the key jurisdictions.

The lessons from Chicago for global regions are:

1. Make the issue or problem central, with a focus on the resolution and not institutional configuration—in essence, it doesn't matter who is in charge. What matters are the dimensions of the problem(s).
2. Use private players, when and where possible (foundations or firms), to identify the depth and scope of the issue empirically.
3. Have the regional entity emerge or evolve from the solution to the problem of local quality foods—such as Chicago's formation of the Chicago Food Policy Advisory Council and the

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City of Chicago Department of Zoning and Planning Task Force and Steering Committee—  
thus bringing most of the concerned entities under one tent, with the Chicago Metropolitan  
Agency for Planning as the guiding agency.

4. Keep the nonprofit action agencies working to their strengths, as with the Chicago Food Depository. Asking nonprofits to do things outside their brief is seldom workable.
5. Linking issues to larger regional goals and missions make any form of regional collaboration more palatable.
6. Finally, form partnerships of public and private interests to work toward win-win approaches whenever possible.

Lagos reaches for the stars: A problematic city seeking global status



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<b>Topic</b>	<b>Indicator</b>	<b>Data</b>	<b>Source</b>
<b>Residents</b>	<i>City, 2000</i>	N/A	N/A
	<i>City, 2010</i>	209,437	National Population Commission of Nigeria (2006)
	<i>Metro, 2000</i>	N/A	N/A
	<i>Metro, 2010</i>	7,937,932	National Population Commission, Nigeria (2006)
<b>Employment</b>	<i>Metro, 2000</i>	N/A	N/A
	<i>Metro, 2010</i>	N/A	N/A
<b>GDP</b>	<i>Regional GDP Per Capita, 2010</i>	\$ 8,944	Estimated as per capita GDP for the State of Lagos (State GDP data is from Lagos Bureau of Statistics, Ministry of Economic Planning and Budget, 2010. Population data is from Nigeria Census 2006.)
	<i>National GDP Per Capita (USD), 2010</i>	\$ 1,443	The World Bank
<b>Surface Area</b>	<i>City (sq. km, excluding water area)</i>	20	GIS boundary file created by RPA
	<i>Metro (sq. km, excluding water area)</i>	923	GIS boundary file created by RPA

<b>Government</b>	<i>Number of Jurisdictions in Metro</i>	16 Local Government Areas (LGAs)	National Population Commission of Nigeria
	<i>Presence of Overall Metropolitan Government</i>	No	

### **Introduction**

Few major cities in the world have as many problems and offer as much promise as Lagos, Nigeria. Lagos is as famous for its traffic jams and poverty as for its incredible natural resource wealth. For nearly half a century, the gap between its opportunities and its daunting challenges has meant Lagos has largely been perceived as a “no man’s land” by outsiders, with only the brave willing to place the city on their investment or holiday list.

But Lagos is not just any place. It is one of the most important cities in Africa and a global trading center. Its turmoil slows the nation of Nigeria and limits its capacity for global trade. As it transforms, it has to embrace modern economic, legal, and political structures to compete on the global stage. Nigeria’s national leadership recognizes that it has all of its eggs in the Lagos basket, and if the regional metropolis of Lagos fails, so does the nation. Lagos has been both scorned for its corruption, dysfunctional infrastructure, and intense growth and praised for its vitality and its seeming ability to do the near impossible as it makes its way into the lexicon

of global cities.<sup>29</sup> This is a story of how the nation and the region are trying to come to grips with the city's past to shape a future.

### **Context**

Lagos is located in the southwest corner of Nigeria, which was a British colony until 1960. It is the largest African city south of the Sahara, having grown from a settlement of a little over 300,000 after the Second World War to its current megacity status. It is hard to calculate the actual population of this huge conurbation, because censuses in Nigeria are notoriously unreliable, and some observers believe the real population is far higher than the official census numbers suggest. The city also includes a constellation of handmade, self-proclaimed dwellings inhabited by 500,000 squatters annually. These unofficial residents settle anywhere they can with no permission, no home sanitation, and in many cases, scant electrical or other city services.

In many respects, Lagos is a mess. But this mess still attracts people from the interior of the country and its bushlands, along with refugees from nearby nations. Lagos' ports export oil and myriad natural resources to the world, meaning there are opportunities in the city that are not available elsewhere. Almost 80% of the nation's wealth is located in or passes through the State of Lagos. Lagos remains the de facto capital of the nation despite the actual political capital having moved to Abuja in 1991. It is the cultural, social, and multi-ethnic hub of the nation. Lagos is a magnet for people, commerce, crime, and wealth. It has plenty of each.

The regional muddle is not helped by the fact that Lagos' city and state administrations have uneasy relations. Meddling in the City of Lagos' affairs is a major preoccupation of the state government, similar to the uneasy status of Mexico City and the Federal District of Mexico. While most of the wealth lies in the city, the majority of political power resides in the state and



federal governments. The challenges of managing this complexity create opportunities for blame to be spread among political actors, while much critical work remains undone.

One of the city's key challenges is that urban infrastructure is underfunded and crumbling. Road capacity is overwhelmed daily, with some commuters taking 3–5 hours a day to commute to and from work. Taxi drivers desperately want to see some relief from the constant grind of traffic jams that keep them from taking more passengers, even though there has been little public transit except old unreliable buses and an overwhelmed bus rapid transit network on the brink of collapse.

Other challenges include the fact that health facilities are poor and public schools are congested. Furthermore, the State of Lagos accounts for over 40% of the nation's electricity consumption, yet power generation at the national level only satisfies about one-third of demand. Homelessness is common, and crime is rampant. Youth gangs control wide swaths of territory, prompting a neighborhood system of public safety, with communities arming

themselves to control local space. Despite these enormous liabilities, Lagos has now embarked on a plan to become one of the world's most livable megacities.<sup>30</sup>

**Figure LG1: Informal housing area in Lagos state [Source: UN-Habitat; Author Photo]**



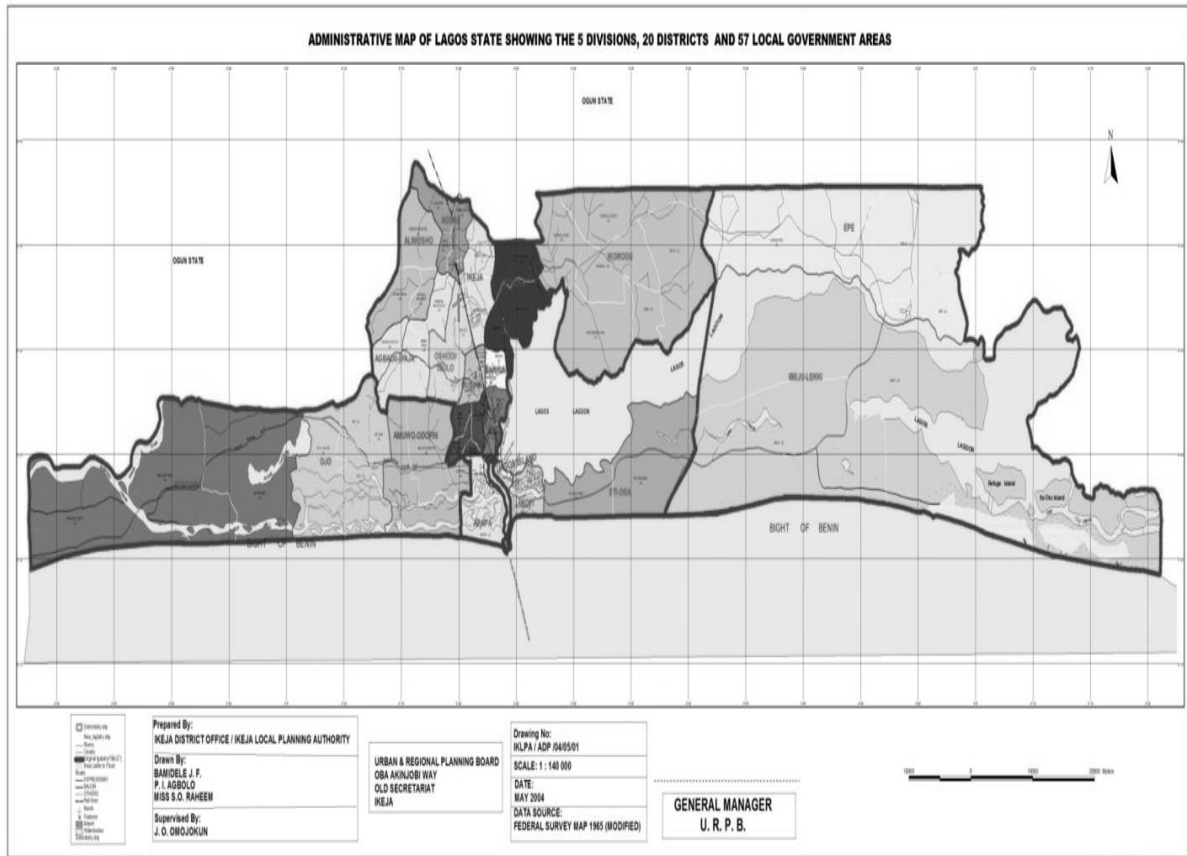
### **Defining region**

Metropolitan Lagos—what we refer to in this chapter as “Global Lagos”—is composed of 16 separate local government areas within the State of Lagos. The central old city core of Lagos gives its name to this diverse set of communities that have varying degrees of self-rule. Lagos Island and the core are the seat of commercial and trade activities as well as the central state government. While the core is small geographically—somewhat like the City of London or the City of Sydney—it is Global Lagos’ institutional epicenter and the central node for transportation. The central city does not control its periphery, however, which is being

Edward J Balakely & Laura Crommelin, Managing Editors

continually reshaped by the unstoppable flood of humanity coming to the region seeking services and jobs.

**Figure LG2: Administrative map of the City of Lagos [Source: State of Lagos]**



### **Early steps towards global megacity status**

Despite some positive efforts by earlier governments, it was not until the end of military rule in 1999 that the State of Lagos received strong and persistent leadership on urban issues. From 1999 to 2007, Governor Tinubu pushed to bring about a metropolitan master planning template drawing on community-level research and feedback, with the goal of orderly development according to zones for housing, industry, commerce, and other purposes. Since 2007, Governor Fashola has also introduced new policies that are helping the socioeconomic growth of both the State of Lagos and “Global Lagos,” as we shall call the emerging megacity. While sometimes controversial, these efforts have had some positive effects. This chapter will explore

these efforts, which have sought to meet the challenges posed by the tide of humanity coming into the city daily and by the resulting decline of urban services.

Perhaps one of the most critical factors responsible for the organic growth of the city has been the lack of a fully-fledged agency charged with the responsibility of managing it. When Governor Tinubu came to power in May 1999, the institutional framework for physical planning in the State of Lagos was unstable in all its ramifications. The institution for physical planning or town planning was either an appendage to or a department in other ministries such as the Ministry of Works and Planning in the 1970s and the Ministry of Economic Planning and Land Matters in the 1990s. In fact, during the 1990s, successive administrations embarked on some laudable physical planning initiatives such as the preparation of both the Lagos Master Plan and the Lagos State Regional Plan. These were noble proposals, but the lack of administrative leadership and deep corruption ultimately sank these efforts.

Because the City of Lagos governs only a small fraction of the conurbation, it cannot by itself control its destiny. Like Manhattan, the city is a magnet for population seeking jobs in the administrative and financial center, but it does not have the resources to govern the whole region. So a new statewide plan was initiated in 2005 by Governor Tinubu to transform the larger administrative entity to provide orderly land uses, public infrastructure, human services, and transportation policies and programs. At the time of this book release Nigeria teeters on internal strife politically and via Islamic revolutionaries.

### **A plan worthy of a global city: Lagos Megacity Regional Plan**

Governor Tinubu began the planning process by acknowledging that addressing the challenges outlined above could be sustainable only within the context of good governance. This required improving respect for the rule of law, human rights, transparency, and accountability, thereby creating an attractive climate for investment. Improving urban development and governance were understood to go hand in hand in making the city an inclusive human space, as opposed

to a theater of economic, social, and political marginalization and polarization. In implementing this model, the state government is hoping to transform Lagos into Africa’s model megacity, building a world class city that is clean, secure, livable, and efficient and which enables the people to express their potential.

To achieve this outcome, the State of Lagos devised and implemented new strategies and initiatives predicated on a 10-Point Agenda (TPA) for its development objectives.

**Table LG1: Development Priorities in Lagos State (TPA) [Source: LASEEDS-1:2004-2007]**

<b>1</b>	<i>Environment</i>
<b>2</b>	<i>Infrastructure development</i>
<b>3</b>	<i>Human capital development (education, health)</i>
<b>4</b>	<i>Poverty eradication</i>
<b>5</b>	<i>Water</i>
<b>6</b>	<i>Promotion of collaborative efforts with the private sector</i>
<b>7</b>	<i>Maintenance of public security and order</i>
<b>8</b>	<i>Public service reform</i>
<b>9</b>	<i>Revenue regeneration</i>
<b>10</b>	<i>Roads and Transportation</i>

The emphasis on physical and human capital development in the first five goals was important, given the centrality of both in the development process. Dogan and Kasarda, leading regional development analysts, describe Lagos as experiencing “urban ataxia,”<sup>31</sup> wherein the urban economy and infrastructure have not come close to keeping pace with city population growth.

So it made sense for the highest priority to be placed on ensuring a sustainable environment, because of the array of ecological, economic, educational, and cultural services the environment underpins. This approach was also based on the understanding that there is a recursive relationship between the environment and poverty.

After over 50 years of corrupt and inept leadership at every level, state intervention was applauded by most Lagos citizens. Governor Tinubu took on his state and city administrations by passing over and sacking incompetent and corrupt officials. It was a bold stroke welcomed by most, although there were government worker strikes and morale issues. Tinubu privatized or transformed many government agencies to move toward the goals in the plan. In Governor Tinubu's view, these steps were difficult but essential: "We are taking some hard decisions which are not necessarily popular, but will benefit the larger people of the state."

### **Getting the money to the plan**

Regarding implementation strategies, the State of Lagos adopted a system of close monitoring of the budget by holding previously unheard-of fortnightly revenue meetings as well as a quarterly review meeting of performance and enforced budgetary compliance. The state also adheres to a medium term expenditure framework (MTEF), which is the basis for preparing projects and programs in the annual budgets to ensure that annual revenue and expenditure estimates are consistent. The MTEF sought to improve the value for money of public spending in addition to reinforcing fiscal discipline and strategic prioritization. This strategy gives room for the proper channeling of revenue, implementation of projects/programs, and monitoring and evaluation. This approach was guided by the following logic:

[the state's problems] are multifaceted, and we, therefore, categorized them into the immediate, medium and long-term. We inherited limited resources, and therefore, planning was important. We listed the problems and then used critical path analysis. We believe in the principle of

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reinventing governance and therefore contracted out some aspects of revenue generation to consulting firms that have [sic] the capability to handle them.<sup>32</sup>

Government across the State of Lagos has had a chronic lack of involvement in socioeconomic development. This puts considerable financial burden on the state, which is the actual fiscal administrative controlling agency. City administrations are only creatures of the state, with no separate powers except those passed down from the state. The revenue resources of the state derive from statutory and nonstatutory grants from the federal government, taxes from salaried workers, taxes from commercial and industrial establishments, capital taxes from land, and other revenues from fines and fees. Revenues received from federal sources are in steep decline in inflation. The state government is continually losing revenues from taxes due to poor institutional capacity and corruption within the tax office. Therefore, the level of public confidence in the state and local government bureaucracies was almost nonexistent.

Governor Tinubu's regime adopted many new public management (NPM) principles, especially contracting out services such as garbage collection and revenue generation to private firms. Governor Tinubu's reliance on NPM principles was controversial. The use of NPM has been criticized both in developed and developing countries, and the consensus has been that the rate of success depends on the capacity and capability of the government to implement it. In a situation where governmental capability is weak, the use of NPM in government operations is seldom successful. Governor Tinubu worked around this issue and did not engage the existing bureaucracy much in the implementation of his programs. Instead, during his tenure, he promoted many people from the private sector to very high positions. When asked about the institutional capacity of the civil service, his response was that "it has the capacity but there are bad eggs (that) are not ready to change."<sup>33</sup>

Commenting on his use of consultants in revenue generation, Governor Tinubu said, "We needed to improve on our revenue generation. We had to employ the services of consulting



firms that are experts and have the capability to help the government to collect its revenues. This has yielded a positive result.”<sup>34</sup> This use of private firms for tax and revenue collection has been severely criticized because it led to the institutional capacity and capability of the Board of Internal Revenue gradually being eroded, and it avoided the need to address issues of indiscipline and corruption. At the same time, this approach can have some benefits. For example, during the earlier regime of Governor Jakande—who adopted a similar approach—there was a “3,000% or thirty-one-fold increase in revenues between 1968 and 1983, and when allowance is made for inflation this will probably come to a 2,000% increase.”<sup>35</sup>

### **Developing a regional planning infrastructure for the plan**

According to Olowu, Governor Tinubu came with a vision, but pressures led to hi eventually being derailed from this vision by being too autocratic. Nonetheless, the new development the State of Lagos is experiencing through the leadership of Governor Fashola (2007- in office at the time of writing) is a continuation of the previous era of Governor Tinubu. The development efforts of Governor Fashola cover a wide range of policy areas including poverty and economic inclusion, physical development, land and slum management, transport, environmental management, unemployment, education, water supply, community facilities, health care, culture, and security. A key part of this platform is that it implements what is described as a “down-top” approach rather than a top-down approach.

### **Down-top rather than top-down**

To ensure a better planned, more livable and healthy business and human environment, the state administration decided on the down-top approach, which means the leaders at the top create the template for development into which community and administrative structures must find ways to integrate. Participation is part of the process but is understood primarily as coming up with novel ways to help the leader meet the defined targets. This combined governance and planning approach draws on the fact that Lagos is a place of multiple identities. Tribal,

homeland, or religious affiliation is often stronger than allegiance to the government in any form. Many people in the city are there out of necessity rather than out of desire, which can make it a challenge to engage people in long-term planning processes. At the same time, the government's desire to see a rapid urban change made a largely centralized approach appealing.<sup>36</sup> So the Lagos State governors—not the state administrators—crafted “Model City Plans” for all the districts constituting Global Lagos, with some community and interest group input.

Administrative and community input was modest and aimed at shaping the plan's implementation. In essence, the plans are made at the top and pushed down to the people for some consultation on how to achieve the outcomes but not for a change in the overall goals or direction. Much confusion has arisen because of this approach, with locals feeling the government really does not care what they think. Recent riots over the destruction of squatter lands in the path of new rail and road infrastructure illustrate this problem. Nonetheless, the down-top approach continues to play out in practice in key policy areas: planning, land use and slum redevelopment, transportation, and environmental management.

### ***Planning policies and programs***

State planning has been modernized and centralized. For the first time, there is an Office of Planning within the State Ministry of Environment. All the functions of planning and permitting have been streamlined so the offices that do permit are aligned with those that do planning. To move from plans to projects, an Urban Development Office was established. Key issues that are in sharp relief as the city-region grows exponentially—issues like urban poverty—are top priorities for the planners.<sup>37</sup>

Another way Global Lagos is attempting to move into the international limelight is by hosting regional and world sporting competitions like the Pan-African football matches in 2012. The aim is to build on Cape Town's and South Africa's success. Sports draw large internal and

external crowds, both live and through television, providing an audience for Global Lagos to sell itself to the nation, the continent, and the world.

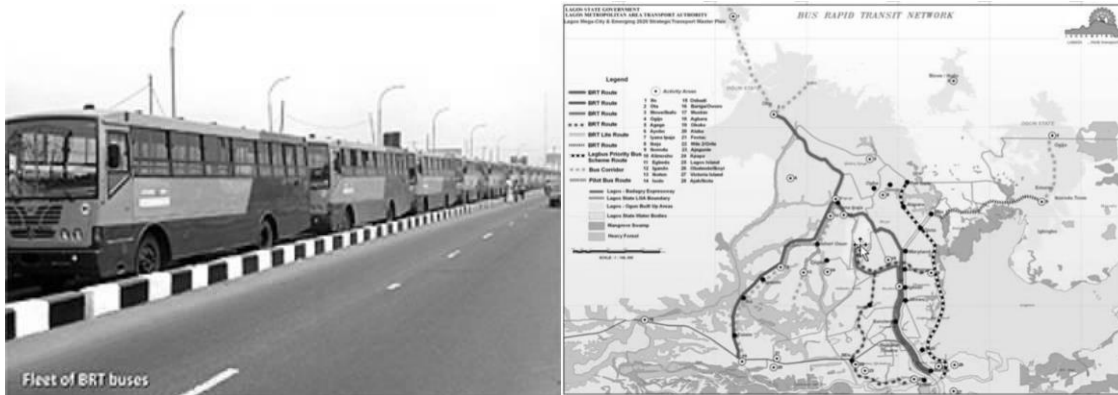
Perhaps the most significant redevelopment is the establishment of the Lekki free trade zone in Ibeju–Lekki LGA. This is an international public–private partnership between a Chinese government-sponsored company and the Lagos state government. It is conceived to have a hi-tech industrial sector that will incorporate petrochemical facilities that will utilize Nigeria’s abundant natural gas resources. The zone will also accommodate a new international airport, a seaport, residential apartments, and shopping malls. Besides creating job opportunities, it will be an international business haven from which it is hoped that the host community, the City of Lagos, will draw immense economic benefits and prosperity.

### ***Transportation***

At the heart of Lagos’ transformation and providing the most potent imagery of this process is the new Lagos Urban Transport Project (LUTP). It is a seven-year project that started in 2010 and is designed to create an efficient and effective integrated intermodal mass transport system involving land, water, and rail. In the process, it is anticipated the project will also contribute to poverty reduction. To achieve these goals, the Lagos Metropolitan Area Transport Authority (LAMATA) was established in 2002 and has developed a Strategic Transport Master Plan that identifies the city’s infrastructure needs beyond 2020. As a first step, LAMATA was charged with ensuring that all bus routes were made workable. A dedicated road network of nearly 640 kilometers is now in place and is maintained by LAMATA, and nine BRT corridors have been identified for implementation. Given the chaos of Lagos’ transport system since the end of colonialism, this is a big deal and is very symbolic both internally and across the world. Getting in and out of Lagos was once considered a miraculous feat. A safe, reliable transport system

makes a huge statement in removing the old stereotypes and perception of Lagos as wild, unruly, and unsafe.

**Figure LG3: Lagos BRT Buses with dedicated lanes and the new system map [Source: Lagos State Transport]**



Pioneering aspects of the transport project include the state government's decision to partner with the state chapter of the National Union of Road Transport Workers and an international bank to procure the first 100 buses to run phase one of the BRT projects. The government has also started a US franchise scheme under which private operators procure and operate specific routes. The buses are referred to as LAGBUS or Fashola's buses.

In addition to the BRT, the government is tackling the water transport challenge by developing three pilot routes, which started operation in 2012. Finally, the rail mass transit system comprises seven lines, two of which are classified as priority. Both priority lines are already

integrated with the Expanded Lagos–Badagry Expressway, the construction of which is underway.

While much work remains to be done to resolve Global Lagos’ transportation challenges, these developments are a remarkable achievement. In the words of Governor Fashola:

Lagos has been projected to be the third largest mega city in size by 2015. It is imperative that any government in charge of Lagos state must focus and accelerate the preparations necessary to enable Lagos to deal with and manage the challenges that come with being a mega city.<sup>38</sup>

**Figure LG4: The new Lagos commuter train system [Source: Lagos Transport]**



### ***Environmental management***

As part of the ongoing structural change, the state has also embarked upon a massive environmental improvement campaign. In 2009, Governor Fashola declared July 14 as a statewide annual tree-planting day. The environmental beautification program, named Operation Green Lagos (OGL), is designed to re-green the entire state by planting trees and flowers.

The Market Sanitation Program has been introduced to promote good health. Markets and shops remain closed every Thursday until 10:00 a.m., to enable the traders to clean their shops and surroundings. The state government also launched the Climate Change Club in public schools in March 2008, which the governor described as another milestone in the journey

towards a cleaner, healthier, more sustainable community, helping to reduce the problems of rapid urban growth with the scant infrastructure to support it.

### **Conclusions and lessons**

Lagos and Nigeria are enormous paradoxes. On the one hand, the nation is rich with natural and human resources. On the other, it has been weighed down by extreme poverty, underperforming government, waste, graft, and a lack of national leadership. Nonetheless, Lagos, now one of the largest cities in the world, seems to be slowly setting itself free from this past of deprivations. It has leadership from the state government that has designed and is now implementing strategies to reduce its problems and improve its global status. While these strategies are regional in scope, to date, the regional approach has been more of a by-product of the government's urban development agenda than a clearly defined agenda. It is clear the state government is addressing Lagos' challenges on a regional scale to meet current imperatives and as the only way to gain traction over the city's enormous problems.

What is rare in the case of Lagos is that the redevelopment focus has to an extent contemplated both globalization imperatives and local human improvements. While many large cities across Africa and Asia are overwhelmed by their problems and give in to the lack of capacity and resources, the State of Lagos has viewed dealing with its problems as an opportunity to enrich the lives of its people as it marches single-mindedly toward becoming Global Lagos.

So what can we learn from this apparent paradox that can help other global cities?

1. A holistic approach is the best way to deal with shaping a global future. Gimmicks or single achievements will not meet the challenges of globally competitive development. Global cities have to work on all their problems because no single option will catapult any city

region to greatness. Moreover, failure to meet the challenges in one area can defeat good efforts in other world-leading sectors.

2. Problems are opportunities. Lagos shows that harnessing both public–private and public–public approaches can be win-win. So getting the private sector to fund and operate a new rail system is a boon for the government and the people. Similarly, contracting with unionized workers to compete and build bus systems can work too. The challenge is always how well these approaches are led and managed.
3. Designing systems to deal with problems in social services and unemployment that improve the environment and create new jobs is far better than new government-operated programs that are top-down managed.
4. The “down-top” approach aims to match community-level problems with a delivery system designed to implement the needs set out at the top. Too often government leaders talk about bottom-up approaches but fail to transfer any authority to the bottom and seldom develop a system that matches local needs. The State of Lagos has at least coupled its major infrastructure projects with an emphasis on crafting bureaucracies with accountability and transparency structures that are based on the needs at the bottom. People in Lagos didn’t invent the BRT, but the government sought to craft this system based on expressed needs, and the people can complain or boycott it if it does not meet their needs.
5. Continuity in leadership and agenda is crucial for any global city regime. In Lagos, successive governors have overseen the implementation of the state plan successfully. This is in sharp contrast with grand announcements with no outcomes or with corruption arrests. This success is probably due to the global public nature of the pledges. The world is watching. Such public momentum from the top also gives communities an opportunity to participate in planning how to get the projects done even if they cannot shape the nature of the projects. Continuity at the top creates the scope to build public–private cooperatives or

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a publicly recognized institution of some kind to guide the implementation of long-term projects and plans.

6. Some visible and accountable institution must own and track the progress of the agenda with the people, so electoral forces are used to achieve goals and not to undermine them or dismiss them. A publicly visible group composed of leaders from the business and community sectors makes accountability easier to enforce. Lagos still needs to take this step.



Edward J Balakely & Laura Crommelin, Managing Editors

An Olympic moment: London as a global city on the global stage



<b>Topic</b>	<b>Indicator</b>	<b>Data</b>	<b>Source</b>
<b>Residents</b>	<i>City, 2000</i>	7,181	Office for National Statistics, 2011, for City of London
	<i>City, 2010</i>	7,400	Office for National Statistics, 2011, for City of London
	<i>Metro, 2000</i>	7,322,400	Office for National Statistics, 2011, for London Region
	<i>Metro, 2010</i>	8,061,500	Office for National Statistics, 2011, for London Region
<b>Employment</b>	<i>Metro, 2000</i>	4,550,000	Greater London Authority, 2003
	<i>Metro, 2010</i>	3,776,241	Office for National Statistics Regional Labor Market Statistics, 2013
<b>GDP</b>	<i>Regional GDP Per Capita, 2010</i>	\$ 61,010	European Commission, Eurostat's
	<i>National GDP Per Capita (USD), 2010</i>	\$ 36,238	The World Bank
<b>Surface Area</b>	<i>City (sq. km, excluding water area)</i>	3	GIS boundary file created by RPA
	<i>Metro (sq. km, excluding water area)</i>	1,579	Greater London Authority

<b>Government</b>	<i>Number of</i>	33	Boroughs	Greater London Authority
	<i>Jurisdictions in Metro</i>	including the City of London		
	<i>Presence of Overall Metropolitan Government</i>	Yes, the Greater London Authority		

### **Introduction**

In summer of 2012, London hosted the Summer Olympiad for the third time. It is not surprising that London is the only city to host the Olympics so many times, since the modern Olympic movement originated in Britain. What is interesting is that London has been a noticeably different place economically, politically, and socially on each occasion. The timings of the two earlier Olympics in 1908 and 1948 were both in response to external circumstances, natural disaster in Italy in 1908 and the Second World War in 1948. The 2012 London Olympics

emerged from a desire to use the Olympics as a key part of the strategy to regenerate London as a global city—it was “*plan-led*.”

**Context**

London is one of Europe’s two global cities,<sup>39</sup> sitting at the heart of a sprawling megaregion. It has a global role in the provision of international financial and business services and is consistently number one or two in the global rankings; see Figure LN1 below.

**Figure LN1: Global London Rankings [Source: Global Financial Cities Index]**

People	Business Environment	Market Access	Infrastructure	General Competitiveness
1 London	1 New York	1 New York	1 London	1 London
2 New York	2 London	2 London	2 New York	2 New York
3 Hong Kong	3 Hong Kong	3 Hong Kong	3 Hong Kong	3 Hong Kong
4 Singapore	4 Singapore	4 Singapore	4 Singapore	4 Singapore
5 Tokyo	5 Chicago	5 Tokyo	5 Tokyo	5 Tokyo
6 Shanghai	6 Tokyo	6 Shanghai	6 Chicago	6 Shanghai
7 Chicago	7 Shanghai	7 Chicago	7 Washington D.C	7 Chicago
8 Zurich	8 Zurich	8 Zurich	8 Zurich	8 Zurich
9 Geneva	9 Sydney	9 Seoul	9 Boston	9 Toronto
10 Boston	10 Geneva	10 Toronto	10 Geneva	10 Sydney

Despite its preeminent economic role nationally and internationally, it faces major urban challenges regarding poor social conditions and the need for regeneration. For example, an estimated one million London residents currently live in poverty (i.e. <60% national median income).<sup>40</sup> Also, major tracts of land need regeneration, and much of the infrastructure, especially transport systems, is overloaded and needs investment. These problems have been particularly concentrated in the eastern sectors of London. This area, therefore, has been the

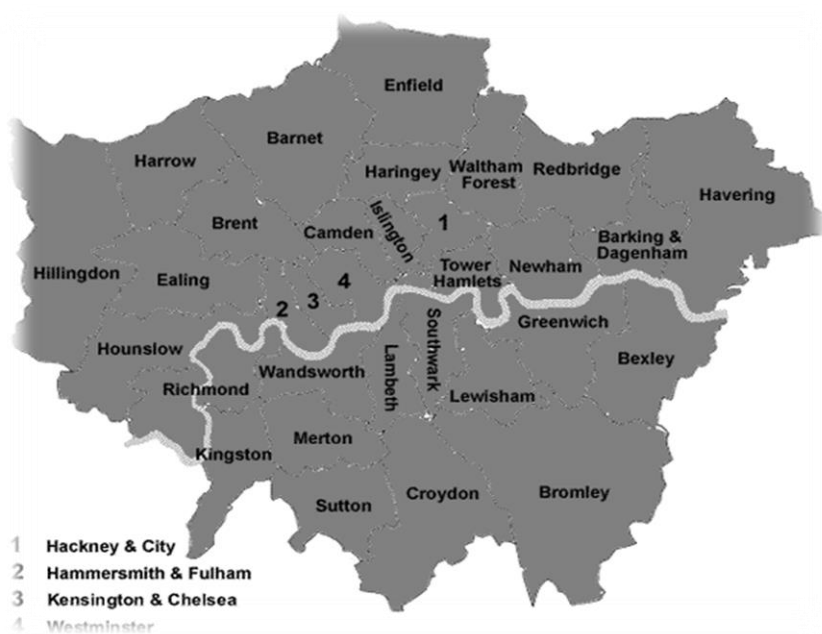
focus of national priority regeneration initiatives over the last twenty years, including the 2012 London Olympic project.

### **Defining region**

Few major cities have simple systems of government, but London's has been reformed with regularity and zeal.<sup>41</sup> The 2012 Olympic proposal occurred just after the re-creation of the Greater London Authority (GLA) in 2000, which governs the area shown as the metropolitan area in the map above. Although the roles and functions of London's municipal government have been subject to recent change, the basic relationship of central (national) and local government has remained constant, with central government having a dominant role. This arises because of the number of services provided by central government or its agencies as well as the 75–80% of funding for services provided by London authorities being funded through central government grants. The central government also has a key role in the governance of London through legislation that defines powers and functions and the allocation of resources. The *Greater London Act of 1999* (amended in 2007) created the GLA. Under this act, the central functions for governing London are laid out, including the authority to establish and control boards and commissions necessary to meet its governance mandates. The GLA's key responsibilities include economic development, transport, city-wide planning, policing, and the fire brigade. Other functions include the environment, culture, media and sport, public health and inward investment, and a general power to promote the economic and social development

of London. Some responsibilities (transport, police, fire, and emergencies) are in the hands of boards, most or all of whose members will be appointed by the mayor.

**Figure LN2: Greater London Administrative area [GLA]**



Local services are provided through 32 London Boroughs and the City of London Corporation (see Figure LN2 above). Each of the named areas has its own elected government and is responsible for running local services in its area, such as local planning (regarding zoning plans and issuing of planning consents), schools, social services, waste collection, and roads, as well as having an increasing role in housing and public health.

There is more to the global London region than just the GLA, however. The growth of London has been paralleled by growth in the scale of the functional urban region, a 60 km wide commute belt that increasingly extends far beyond the administrative boundary of the GLA. There have been various attempts to define this region based on a series of indicators such as

employment density or journey to the work area. Whatever definition is adopted, it is clear that London is the core of a wider southeast England metropolitan or megacity region,<sup>42</sup> with a population of between 11 million<sup>43</sup> and 19 million.<sup>44</sup> It is this broader functional urban region—sometimes branded the “London Supernova”<sup>45</sup>—that we will refer to in this chapter as “Global London.”<sup>46</sup>

The growing reach of Global London has significant consequences for the rest of the UK regarding pressure on land resources and infrastructure. The broader region hosts much of London’s key infrastructure including airports like Heathrow, Gatwick, and Stansted, as well as ports, rail, housing, tech parks, and universities. It is a colossal conglomeration of institutions with limited overall governance or strategic direction. The GLA does not manage nor direct this broader space but relies on it for many primary resources including people, ecosystem services, and economic development. As John et al. explain:<sup>47</sup>

Instead, it is London that has held the attention of policy makers throughout the twentieth century. And again London gained special focus in 2000 through the creation of the Mayor and the Greater London Authority. The new London government does not have the power or inclination to give leadership to the mega-region. The spatial focus of the Greater London Authority (GLA) is clearly in the capital rather than on the mega-region.

Therefore, even though the GLA is a large and powerful governmental institution, with an £11 billion annual budget, it does not direct all of Global London, which is a hub of European and much of the world’s financial trade.

There is no single body with responsibility for Global London. Historically, there were collaborative arrangements through SERPLAN.<sup>48</sup> This produced a draft strategy in the late 1990s that was subsequently superseded by Regional Planning Guidance for SE England, produced by the central government. It was associated with the winding up of SERPLAN and of SERPALN’s replacement by three separate regional economic and planning bodies, which

were themselves later abolished in 2010 by the central government and replaced by some local enterprise partnerships. In 2003, regional development priorities were defined by the Labor government<sup>49</sup> with the goal of focusing development pressure initially on four key growth areas,<sup>50</sup> the main one of which was the Thames Gateway (the area within which the Olympic site was later identified).

Given the lack of clear megaregion governance, the only way for Global London to deal cohesively with key regional issues continues to be through central national government intervention. Much like China, where the central government has designated the roles for and defined the global regional space, the UK central government provides control and informal direction over the megaregion of Global London. Global London is too important to the nation for the central government not to play a key role. As Keith Downing explains:

London and the South East will remain a strong influence on central government policy irrespective of whether any regional political institution could identify and articulate a clear interest. London and the South East may be able to get the political outcomes that are desired without really trying because it is systematically ‘lucky’; for it is the place that simultaneously generates wealth, decides elections and provides homes for the political elite.<sup>51</sup>

Over one-third of the nation’s GDP is accounted for in this region, and key projects require national government engagement for funding and dealing with cross-jurisdictional matters. Some regional areas are deeply embedded in the economic tissue of the city, but other places within easy reach of central London have little connectivity. Some observers have labeled this pattern “Swiss-cheese regionalism.” Where regional assets like airports are concerned, the central government controls the outlying area. Likewise, the central government largely controls local boroughs and councils in the region through the funding arrangements and by setting the national planning policies for development. The net effect is that the last two decades



have been characterized by two opposing trends in the governance of Global London—the fragmentation of local control and increased central government direction.

### **Policy implications**

Because of London's importance to the nation, in the end, it matters less in the British context how well Global London is organized and administered; it will continue to attract political attention and resources simply because it is the biggest game in town. The real question is, "How well does Global London play the global game?" The way the Olympics were hosted on London's Thames Gateway may provide the beginning of an answer to this question.

The combination of challenges that Global London faces has required a policy approach that seeks to rebalance the historic westward pattern of development, to the disadvantage of the deprived communities concentrated in East London. This approach was based around two key themes. Firstly, there have been a series of projects to improve the connectivity of London both internationally and internally, particularly through high-speed rail links to Europe and internally through Cross rail, the Jubilee Line projects, heavy investment in public transport, and the introduction of congestion charging. Secondly, there has been a series of initiatives to remove blight from previously used land, much of which has been concentrated in areas that are now part of the Thames Gateway. The national priorities for the Thames Gateway project have been reinforced by the 2004 London Spatial Plan of the then Labor mayor, which included from the outset specific policies and proposals for the regeneration of east London and the Gateway area.<sup>52</sup> This priority was maintained in the 2009 revision to the plan under the new Conservative mayor and administration.<sup>53</sup> At the time of this release London wants to be part of Europe but has been upstaged by smaller nationalist interest by moving out of the European Union via Brexit effective in 2019.

The need for a strategic, wide-ranging<sup>54</sup> approach continues to be recognized. For example, the recent Honor Chapman Report<sup>55</sup> concluded that there were several key imperatives London

needs to address to maintain and secure its position as a twenty-first-century world city. These include making the most of East London's job and income growth potential by ensuring the business community works with the mayor, boroughs, and other stakeholders to build a clear vision for East London. As a result, cross-boundary cooperation and partnering have been increasingly required. Although the focus of the GLA's activities has been within its own area, it continues to give consideration to the issues in the wider metropolitan area.<sup>56</sup> It has, for example, engaged in debates about airport policy and national high-speed rail proposals.

Therefore, a partnership approach is long established and growing in both the planning and delivery of policies, services, and programs for London. This involves the integration of diverse strategies for London including the London Plan,<sup>57</sup> the London Housing Strategy, the Health Inequality Strategy, the Climate Change Mitigation and Energy Strategy, and the Air Quality Strategy. It also involves high-level partnerships, for example, the London Group, which has sought to work closely with a range of bodies including the London Organizing Committee of the Olympic Games and Paralympic Games (LOCOG), the Olympic Delivery Authority (ODA), and the Olympic Park Legacy Company (OPLC).

### **Introducing the Thames Gateway**

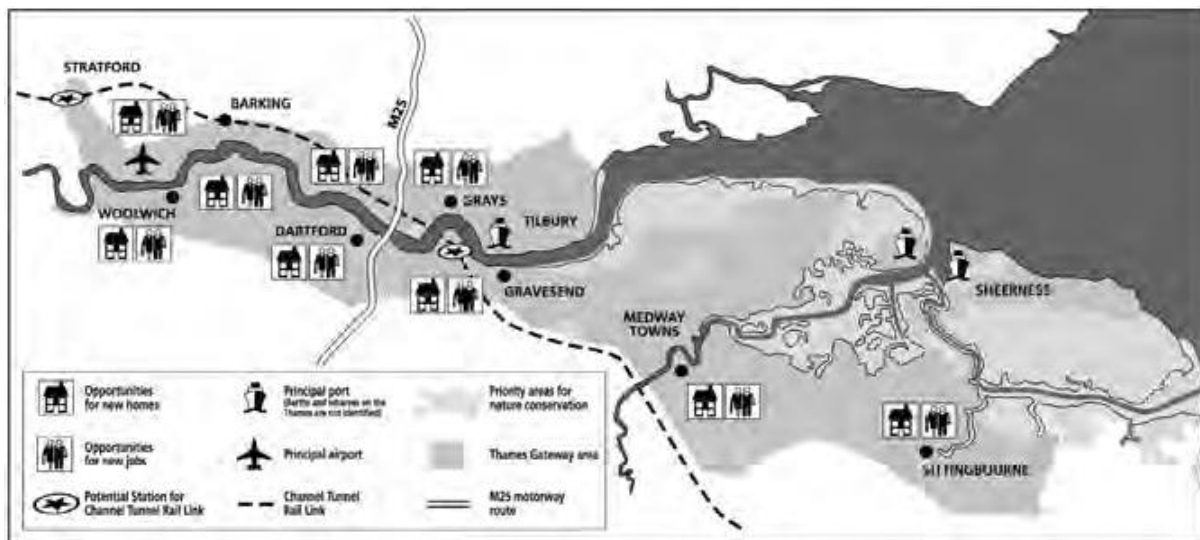
The Thames Gateway was conceived by Martin Simmons, former chief planner for the London Planning Advisory Committee, in part as a response to the impact of the Channel Tunnel Rail Link to Europe. It was launched as the East Thames Corridor and subsequently embedded in policy in the Sustainable Communities plan of 2003 as the Thames Gateway,<sup>58</sup> and it still had political support with a dedicated government minister in 2013. The policy and programs for

the area have always been seen as integral to the delivery of the wider economic development strategy and as more than just an urban regeneration project. Its key objectives have included:

- to accommodate the economic success of London and the wider South East region and
- to ensure that the international competitiveness of the region is sustained.

The Thames Gateway was the largest of the four identified national growth areas, with a scale that went well beyond the earlier regeneration programs. It covered an area 43 miles (60 km) along both sides of the River Thames, stretching eastwards from East London (including Stratford, the Olympic Village, and Canary Wharf) out as far as Southend-On-Sea and the Isle of Shepley.

**Figure LN3: Thames Gateway project area [Source: Regeneration of London]**



The Thames Gateway has a population base of 1.6 million people and has been slated to accommodate an additional 160,000<sup>59</sup> new homes and 300,000 new jobs by 2031, providing the opportunity to regenerate existing deprived communities. It was also envisaged that the policy would address the long-term dereliction in the Thames Gateway area, which has 4000 ha of previously used land suitable for redevelopment (one of the largest concentrations in the UK). It was also the only part of London able to sustain the massive scale of growth in jobs and housing required. Given the comprehensive nature of the regeneration proposed, it was

recognized that partnership with local authorities, regional development agencies, and other key national delivery agencies and other stakeholders was essential.

The Thames Gateway overlaps 16 local authority areas. It is divided into 16 development zones, each coordinated by a range of delivery partnerships, including the former London Thames Gateway Development Corporation (LTGDC), which was given planning powers transferred from the local councils (subsequently transferred back in October 2012).<sup>60,61</sup> Its board was appointed by the secretary of state and included representatives of the five boroughs and the London Assembly.

Within the London area, the individual initiatives have also formed the Thames Gateway London Partnership (TGLP). This is an alliance of the 12 local authorities, five universities, two colleges, and two strategic health authorities. The TGLP is not a delivery body. Its focus is upon partnership work, coordination, and lobbying.

### **Olympics and the Thames Gateway**

Global regions at some point will need to act regionally to use the combined assets of a place if they are to catapult to a new level that either reinforces or alters their destiny. Several global cities have used large events like the Olympics as the impetus to move beyond their current status, with Barcelona perhaps the clearest example. Sydney and Peking also moved up the global ladder by showing they could manage their physical assets to advantage and could attract new capital and build the kind of cosmopolitan images central to globalization. It is not the Olympics per se but how they are handled that matters in the global competitive economic sweepstakes. London has now had its moment, and the effects will play out over the years to come.

The East London area was by no means the obvious site for an Olympics. It was for many years considered “the other side of town”—a place where immigrants, low-income residents, and the unemployed were housed amidst collapsing industrial structures (photo below). But while

much of the East London area was characterized by dereliction, contamination, and disadvantage, other parts were home to Canary Wharf, Stratford City, and its HS1 International Station. This dichotomy of fortunes had long been a feature of East London: lots of opportunities and unused space, adjacent yet disconnected regarding prosperity. In effect, given all its inherent competitive locational advantages, it was an area suffering from “*market failure*,” requiring public intervention to reposition it within the marketplace for development.

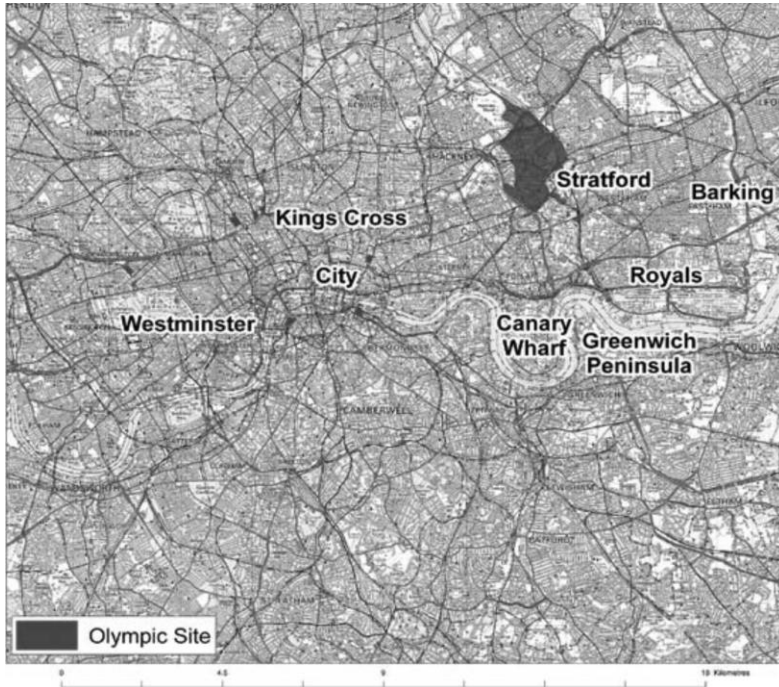
**Figure LN4: East London Pre-Thames Gateway [Source: Geography.uk.com]**



The 2012 Olympics therefore was not on the agenda when the Thames Gateway project first emerged in the 1990s. However, the development of East London as the Olympic site was consistent with the principles and objectives of the Thames Gateway project, and winning the Olympic bid in 2005 gave the broader project definition and urgency. The LTGDC now had a real project in terms of the clarity of its goals and outcomes, with additional money and deep commitments from the central government. But the Olympic site is not the entire Gateway; in fact, it is a small portion of it. So several surrounding communities did not see the Olympics

as anything more than diverting attention away from some of the most deprived areas of the larger project.

**Figure LN5: The Olympic site [Source: Communities and Local Government, 2008]**



The Thames Gateway project was coordinated through the Thames Gateway Strategic Partnership but required a special delivery vehicle. In 2003, urban regeneration companies<sup>62</sup> and the introduction of the American concept of urban development companies were proposed. These were seen as more transparent and locally acceptable than past delivery vehicles (e.g., urban development corporations and enterprise zones) that had been imposed on local communities. The principle of having dedicated regeneration mechanisms is still being pursued, but in recent policy initiatives, these have included the reintroduction of enterprise zones, which, in addition to tax breaks, relaxed the need to seek planning consent before development.

The LTGDC was a primary but not the only public policy vehicle in the Thames Gateway designed to deliver an infrastructure framework to facilitate private sector investment in the Olympic venues. In some senses, it can be seen as an extension of the logic of the London

economy, as firms relocate to custom developed sites and new housing developments on the underdeveloped eastern fringes of the city. A primary goal of the project was clearly economic development. The project can, therefore, be seen as the embodiment of the economic imperatives of Global London as defined by central government and articulated through the Thames Gateway.<sup>63</sup>

The Olympic bid reinforced the need for a streamlined delivery mechanism for the development of East London to meet the deadlines imposed in delivering the Olympics. To achieve these goals, functionally separate institutions within this scheme were created. The brief of the LTGDC was to use planning and land assembly powers, grants from government, and support from the local government to deliver a step change in the quality of new homes, the quantity of jobs, a better environment, and improved life chances for local communities in the Lower Lea Valley and London Riverside. The LTGDC was an executive nondepartmental public body of the Department for Communities and Local Government.

Also, a wider set of government and private sector stakeholders was formed to provide strategic leverage through three sub regional partnerships: Thames Gateway London, Thames Gateway South Essex, and Thames Gateway Kent Partnership. These sub regional partnerships involved a network of local delivery partners with varying governance systems for various projects, including two urban development corporations, an urban regeneration company for local housing and community services in East London, and six local partnerships. In contrast to what went before,” the Urban development corporation (UDC), working alongside and coordinating existing organizations rather than taking over their responsibilities. No public land would be vested directly in the LTGDC, which was given an initial ten-year life by the central government with a review after five years.

To organize and deliver the Olympics, an Olympic Delivery Authority was also created, responsible for the Olympic Park.<sup>64</sup> To add to the complexity, 14 local governments with their

usual powers continued before, during, and after the Olympics. The scope of the enterprise is mind-boggling. Nonetheless, nested within this UDC, the XXX Summer Olympiad had to be delivered for the moment. Broader progress also needed to be demonstrated by the time the Olympics rolled around, as urban regeneration had been positioned as the central feature of the London Olympic bid. The Thames Gateway project was therefore used as a vehicle both to deliver an international event and also to develop the space as a springboard for the region's global status.

As noted above, from April 1, 2011, the LTGDC's planning functions in the London Riverside area were returned to the London boroughs of Barking and Dagenham, Havering, and part of Newham. This is part of the approach to the Thames Gateway generally, where the government has decentralized strategic oversight to local political leaders. Further transfers of functions took place during 2012.

### **Strategic collaborative partnerships: new terrain?**

At the center of this process was an ever-growing focus on collaborative governance rather than governmental hierarchical relationships to achieve planning goals across a range of spheres. Allmendinger and Haughton consider that this represented "a new-style 'of governance,' an intriguing hybrid," combining formal government and "governance systems at all levels."<sup>65</sup> This was, however, part of a wider shift in planning that is occurring more generally in favor of such arrangements, which are being advocated not only in the UK but also throughout Europe.

Management of Global London is therefore increasingly composed of a multitude of overlapping entities that engage the private sector in various ways. Partnership approaches are



long established and growing in both the planning and delivery of policies, services, and programs. These approaches include:

- High-level partnerships, for example, the London Group composed of the boards that serve all of London;
- Joint working groups or the joint provision of services by neighboring boroughs; and
- Specific joint projects, for example, the Thames Gateway partnerships.

The partnership is a cross-party aspiration driven by the central government for practical and increasingly political reasons. In particular, it is at the heart of the current coalition

government's agenda for "localism" and the "big society." These aims have been reflected in policies, for example:

- The Treasury policy initiative, "Total place: A whole area approach to public services," which seeks, among other things, "to open the door for local partnerships" by taking a place-based approach to resource allocations; and
- The Business White Paper, "Local growth: Realizing every place's potential," which replaced centrally controlled regional development agencies with local enterprise partnerships to bring together business and civic leaders to set local economic strategies.

In London, this resulted in special arrangements for partnerships working on economic policy, which in turn involved a transfer of powers to the Greater London Authority. In making this transfer, the central government attempted to reconcile the following:

- London's role as a world city;
- The mayor's democratic mandates;
- The government's commitment to localism;
- The government's desire to retain a key partnership role within a decentralized arrangement for the Thames Gateway, given its economic potential; and
- Sustainability and equity agendas, which are addressed through strategic partnering among public agencies, nonprofits, and private concerns interested in various agendas.

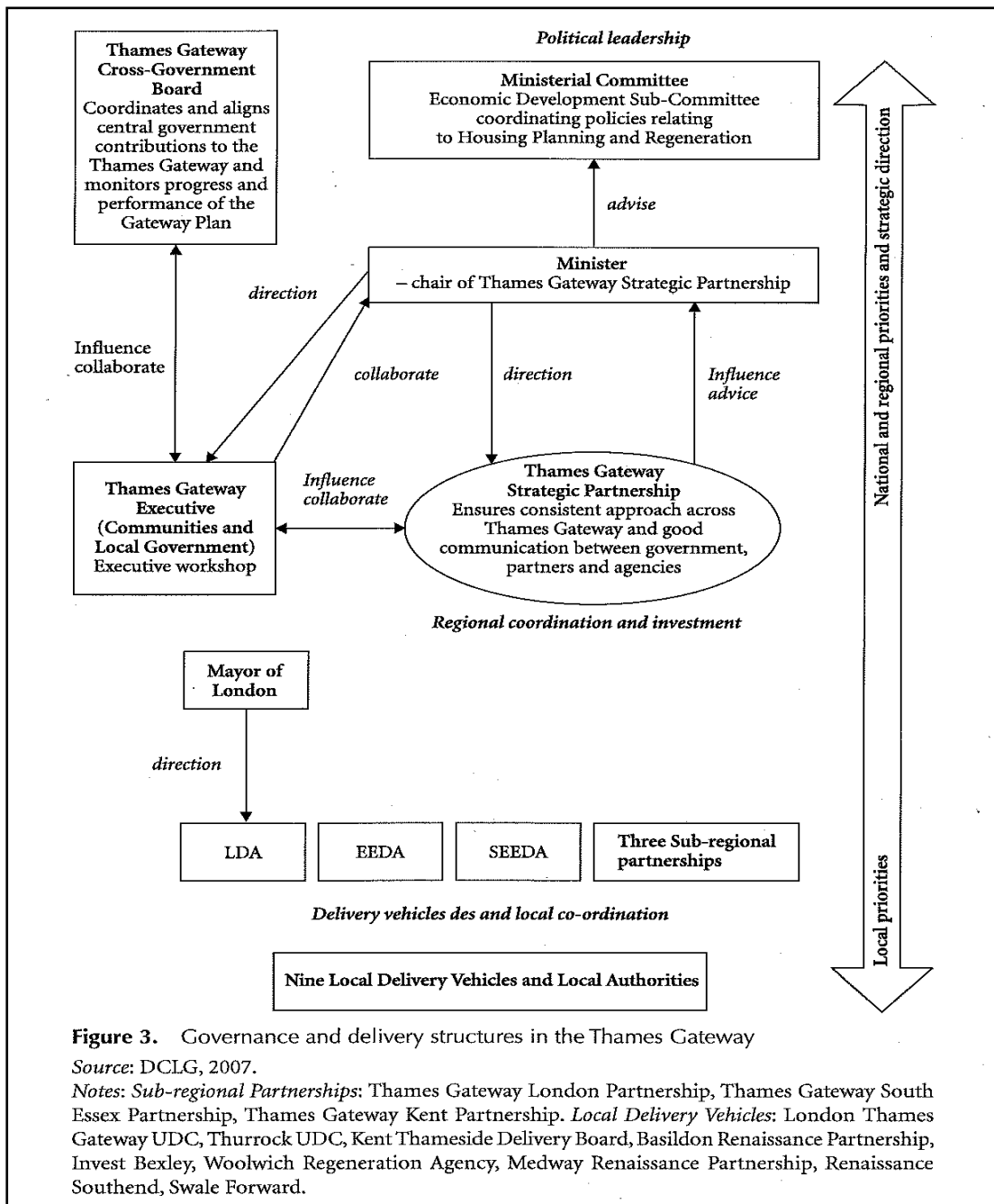
### **Getting the job done**

As the above suggests, for Global London, there is a hierarchical governance structure including the central government, then the GLA, and then the local governments. Functionally, within this hierarchy are ad hoc partnership-based delivery mechanisms, with some temporary reallocation of functions to project-specific organizations. The private sector and others then fit into these arrangements, in some cases with a higher level of involvement than is the norm, to achieve delivery across large areas or for specific purposes. To deliver the Olympics, all of

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these subsystems came together with the central government as the driver, as the following chart shows.

**Figure LN6: Governance and delivery structure in the Thames Gateway [Source: DCLG 2007]**



This is a fit-for-purpose structure based on the task and placed into the larger urban development corporation scheme. It worked for this effort. This approach works when there is sufficient central government attention to keep things on track in a complex system with multiple local and national government actors. In a sense, this megastructure can be seen as the skeleton of the redevelopment process; it identifies the key actors but does not dictate how and

where the action occurs. Each case, be it housing for low-income groups or dockland revitalization, is rejigged as required to meet the goals.

Allmendinger and Haughton's interviews with participants in the Thames Gateway development further highlight the complexities of this structure. As one interviewee said:

Fuzziness (or flexibility) is probably a good thing...We have legal processes and structures...the statutory planning system...but it's good that within that statutory system...those constraints...you have enough room for maneuverability to come up with plans that cover functional areas...that are actually fuzzy...that are flexible...that are actually responsive to the real geography of place (civil servant).

A local politician added, "You need a framework which is sufficiently loose that it allows unexpected things to happen."<sup>66</sup>

While these participants may have appreciated the multilayered flexibility inherent in the system, on the other side, the Olympic delivery process was viewed by some as a planning nightmare, overdressed, over-meeting, and out of control. As various other interviewees put it:

- "Despite the views of civil servants, there was broad agreement among others that Thames Gateway was 'over planned' in the sense that there are too many strategies, plans, partnerships, and agencies involved" (government bureaucrat);
- "I'm firmly of the view that the government needs to take an axe to the whole of this and create a single body for the Gateway...which is a UDC in the true sense of the

word...whose sole objective is delivery of the government's objectives for the Gateway” (housing developer); and

- “There is no-one in overall control...Different actors are doing different destructive things...It's going to be guerrilla war again...Just because it's screwed up...there's so many loose ends...nobody's coordinating it” (partnership agency).<sup>67</sup>

What the Olympics did was show that agencies at different levels and in different geographies could be brought together to achieve a strategic result. The Thames Gateway acted as the central spine for conceptualizing the economic geography. But the actual jurisdictional governance was a complex overlay of local councils and special bodies. There were various governmental administrative zones, but the overall Thames area has never had a single government entity to operate it. Views vary on how big and how strong the varying governance processes need to be. What seems to be clear is that the regional geography is paramount, even as the local geopolitical jurisdictions continue to operate within this space.

### **Delivering at the regional scale: The Olympics**

Organizing the delivery system for the Olympics clarified how the central government—through its principal vehicle, the urban development corporation—can and will do business going forward. UDCs have the range of geography and the flexibility of delivery to deal with almost any set of urban infrastructure and community development issues, from staging an Olympics to revitalizing ports. The UDC is a creature that can be folded out and folded up, as one civil servant noted:

The type of challenges here are not going to be resolved within a four-year cycle...some of these individual sites are taking fifteen years to develop...so they are massively complex and massively long-term and in our mind...it's going to take twenty or thirty years.<sup>68</sup>

So the Thames Gateway project presents an approach of *mega-governance*, which is driven by issues rather than by administrative entities. In the British system, this seems an appropriate

response to the needs at hand. The Olympics were delivered with style and grace, and even the London weather cooperated for that moment.

### **Conclusion and lessons**

London casts such a large shadow over all of the UK that its success is the national success. So in many respects, it has few peers as a global city. It has no real contenders to compete with on its home ground, as cities do in the US and Canada. More wealth flows through London than any other capital except Tokyo and Singapore. As a result, for London, planning is national in every respect. This is reflected in the Thames Gateway case. However, there are lessons that flow from London that can be transferred to other global cities:

1. Get the broader city geography and administration in order. In some global cities, such as Sydney and Melbourne in Australia, the city is still only a very small, weak administrative unit. A large, well-defined geographic and administrative governance entity like the LGA is essential for a global city to play a global role.
2. Create transferable economic development organizational structures that can operate at any scale within the global region. London's urban development corporations with their mixture of national, local, and business input are flexible instruments that can be configured to meet global and local challenges.
3. Central government leadership is critical. Central governments in some nations play no role or too small a role in global city management. It is important in a global economy that the central government has the institutional capacity to work shoulder to shoulder with major global municipalities.
4. Large projects can be the lever to move to smarter infrastructure and better coordination of government services. Events of international scale are an important transformational element for global cities. But cities also need to acknowledge that it is hard to be global and also pay attention to local issues. London confronted this issue in the controversy it

attracted for its global focus in redeveloping in the East End rather than implementing a more localized, sustainable development agenda. Efforts can and should be made to find a balance and satisfy both of these agendas, but tension is nonetheless a likely outcome.

5. The above benefits were effectively realized because of the strategic planning context for large-scale regeneration. This allowed London to respond more effectively and efficiently than would have been possible if a project on this scale had to be shoe-horned into existing development frameworks on short notice and within tight timescales. The overriding factor that has given the 2012 London Olympics had a greater chance of having lasting benefit is that the process was plan-led.



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Melbourne: Getting to number one and making it sustainable



<b>Topic</b>	<b>Indicator</b>	<b>Data</b>	<b>Source</b>
<b>Residents</b>	<i>City, 2000</i>	67,784	Australian Bureau of Statistics, 2001
	<i>City, 2010</i>	100,611	City of Melbourne, 2011
	<i>Metro, 2000</i>	3,366,542	Australian Bureau of Statistics, 2001
	<i>Metro, 2010</i>	3,999,982	Australian Bureau of Statistics, 2011
<b>Employment</b>	<i>Metro, 2000</i>	1,437,855	Australian Bureau of Statistics, 2001
	<i>Metro, 2010</i>	2,039,382	Australian Bureau of Statistics, 2011
<b>GDP</b>	<i>Regional GDP Per Capita, 2010</i>	\$41,400	Brookings Global Metro Monitor 2012.
	<i>National GDP Per Capita (USD), 2010</i>	\$51,629	The World Bank
<b>Surface Area</b>	<i>City (sq. km, excluding water area)</i>	38	City of Melbourne
	<i>Metro (sq. km, excluding water area)</i>	8,872	Australian Bureau of Statistics, 2006

<b>Government</b>	<i>Number of Jurisdictions in Metro</i>	31 Local Government Areas (LGAs) in the State of Victoria, each run by an individual Local Government Council	Victoria Department of Planning and Community Development 2013, <a href="http://www.dpcd.vic.gov.au/localgovernment/find-your-local-council">http://www.dpcd.vic.gov.au/localgovernment/find-your-local-council</a>
	<i>Presence of Overall Metropolitan Government</i>	No	

## Introduction

Founded as a European settlement in 1837, Melbourne was built on the gold rush of 1849. Gold was discovered in the low hills and valleys surrounding Melbourne, in towns like Ballarat and Bendigo. Gold miners from North America came to Australia in similar numbers to the Aussies panning for gold in the San Francisco hills and Sacramento Valley. Discoveries of not just gold but also coal and other precious ores meant that the community grew rapidly, becoming a very British and sophisticated outpost. By contrast, north of Melbourne, sleepy Sydney emerged as a rough and ready shipping center. The two cities were competitive throughout the nineteenth century, but it was Melbourne that reflected real wealth and power. Melbourne became the first seat of national government when the penal colonies came together to create the federation of Australian states in 1901, and it was the center of Australian culture and enterprise for much of the twentieth century. In 1908, the federal capital was moved midway between Melbourne and Sydney to a new capital territory, Canberra. But national administrative organization remained in Melbourne until the 1950s and 1960s, when improved air travel and

telecommunications made Canberra not just a location for the federal parliament but the administrative capital as well. It was from this era onwards that Melbourne's fortunes began to turn. At the time of release of this book Melbourne is once again recognized as the world's most livable city.

### **Context**

Melbourne continued as the home of some of the largest corporations in the nation, particularly those like BHP Billiton and Ford Motor Company, which were linked to the city's manufacturing and resources base and anchored by money, access, and culture. Meanwhile, Sydney took on the role of national center for communications, shipping, and modern finance. Both cities operated as peers in their spheres, with Sydney adopting more of the US style of glitzy capitalism after the Second World War, while Melbourne maintained a more sedate British class.

Melbourne's fortunes changed significantly when in the late 1960s and 1970s, industrial productivity in Australia could only be maintained by a high tariff regime. When Australia fully embraced global economic structures, factories in Melbourne's base economy gave way. Melbourne was in economic free fall. Sydney, with its smaller manufacturing base, embraced the services economy and grew like Topsy.

By 1985, Melbourne's civic leaders were appalled by the loss of industry, declining wealth, and loss of the inner-city population, not to mention the pace of Sydney's increasing international status. Sydney had the temerity to call itself a "global city" while Melbourne languished, perhaps in part due to internal leadership squabbles at the state government level.

These political issues had the potential to contribute noticeably to Melbourne's woes, given the significant role of the state government in shaping metropolitan policy in the Australian system.

### **Defining region**

In Australia, it is the state (or territory) governments that are primarily responsible for the management of major cities. The City of Melbourne is only the central municipality of 37.6 square kilometers, with a population of a little over 100,000. When people refer to "Melbourne," they generally mean the greater metropolitan area, home to approximately four million people and made up of 31 municipalities. This is what we will refer to as "Global Melbourne" in this chapter. This broader metropolitan region is governed by the State of Victoria, which controls transport, police, and all major economic functions as well as planning.

### **Civic engagement in planning**

While internal state government issues may have contributed to Melbourne's slump, it was not because of a lack of planning by the state. Over the previous decades, the state government had initiated a series of metropolitan planning schemes, reaching back as far as 1954. Various state departments over the years had held the responsibility for initiating and coordinating the plans, but there has not been a consistent, centralized state government body controlling the rollout of state or local urban planning regimes. As Melbourne's challenges grew throughout the 1980s, this governance flaw became increasingly evident. In response, civic leaders came together to offer some direction and guidance—in essence, to try to be the "glue" for the plans. Early leaders of the effort from major corporations were intrigued by attempts in Chicago, San Francisco, and New York to use private resources to leverage civic action. A series of international forums was held under various auspices such as business groups, the University of Melbourne, and the state government, focusing on "a way forward for Melbourne in a globally competitive environment." Out of this process, the Committee for Melbourne (CfM)

emerged in 1985. The CfM initially conceived of itself as a convener among Melbourne's key interest groups: governments in the area, universities, chambers of commerce, key regional businesses, and large nonprofits. Early iterations mimicked Chicago's Commercial Club by putting resources into a permanent secretariat to act as convener and to build the organization on a membership base. The CfM members pay dues and contribute to the various project costs for the organization. It is a self-governing and self-funded operation.

The CfM was conceived as the place to bring regionally significant problems for joint, unbiased analysis and for subsequent championship of an agreed direction. The committee also worked hard to keep all members and the community abreast of the agreed course of action. This allowed the government to be part of the process but not be hemmed into something that could be perceived as a government initiative. It also allowed for a more in-depth cross-institutional analytical framework. That is, environmental organizations have to take the environment as their first and foremost issue; similarly, social policy groups are bound by their allegiance to alleviating the impact of a policy on disadvantaged groups. Each of these lenses sets the direction of the research and the eventual policy alternative. The CfM has the advantage of looking at the issues through a 360-degree process. Its wide-ranging membership means it can incorporate all perspectives, but no one perspective dominates. Over 27 years, CfM has been able to attract a high-quality research and policy staff trusted by all actors in Melbourne's complex regional environment.

Curiously, there is no private or nonprofit regional institution in Melbourne other than the CfM. In a sense, there is almost no competition for regional leadership in Melbourne, which is in contrast to most North American metropolitan areas.

### **Getting the growth engine moving**

In 1994, the idea emerged of generating a plan with a focus on central city revitalization, to redevelop the central business district as the core for an internationally recognized city.

Subsequently, more ambitious metropolitan plans emerged, including 2002's Melbourne 2030 plan, which introduced the concept of an urban boundary that resembled Portland with a hardline boundary with little or no urbanization outside it. The notion was that precious open space would surround the city, generating the need to build within the boundary. This in turn would increase density across the city but aim specifically along the rail transport corridors. Proponents like Rob Adams—the City of Melbourne principal planner—argued that actual suburban density would not increase markedly. The plan that this evolved into was Delivering Melbourne's Newest Sustainable Communities of 2009, which expanded the urban growth boundary by preserving land for a regional rail link and grassland reserves. All of these plans emphasized the concept of a livable urban metropolis capable of sustaining an expanding population, and via its membership, the CfM played a role in guiding and facilitating the development of each of these plans.

Despite having lost ground to Sydney in the global city stakes, Melbourne was still starting from a strong base in working to make itself a more livable, dynamic global city. Although losing inner-city population, Melbourne was still ranked highly among the world's most livable cities. The city has low pollution and excellent InterCity transport with its famous tramways. Housing is of good quality, well located along transport routes and near world leading universities. So in many respects, what needed to be fixed was not the place itself but the economic engines that underpinned it. State action and local civic interests combined to further strengthen the local universities, emphasize new technology, and increase tourism and service industries. New high-density housing was an important element of this approach. Suburbs adjacent to the city were incorporated within larger city jurisdictional boundaries. Other state-operated tourism, sports, and related activities helped to make the city core and surrounds attractive to resettling Asian and American firms. The University of Melbourne and neighboring institutions formed a technology precinct in the heart of the city, with others

formed near Monash University in the suburbs. Research, along with student numbers, patent outputs, and firm formations all grew.

One of the most prominent projects that emerged during this revitalization period was the redevelopment of Docklands. Docklands, located on the edge of the CBD, is Melbourne's largest postwar revitalization project. Docklands' renewal is reshaping the city by redeveloping its former warehouse district, reconnecting the city to the water, and creating new precincts of over 30,000 residents combined with office, retail, and entertainment.

Originally a separate development without local government representation, Docklands was incorporated into the City of Melbourne through legislation on July 1, 2007. Uniquely for the City of Melbourne, the governance of Docklands is shared between the City of Melbourne and the Victorian Government's land development agency, [Places Victoria](#).

The Docklands precinct is still under development. When it is complete in 2020, Docklands will be as large as the Melbourne central business district, with 20,000 residents. This area, located adjacent to the city's CBD, allowed the accommodation of new commercial development within the heart of the city, using the existing rail/tram network as a spine and aiming to boost civic and cultural life at the core.

The CfM championed these directions so that even as state and local governments changed, the committee was a constant reference point for regional development. The CfM authored numerous reports on regional directions and management, incorporating international experience into the research database for decision-makers. By early 2005, Melbourne was competing with Sydney for firm international locations. The tide had turned. Melbourne was



growing; the new challenge for the CfM and the state is sustainable, regional quality growth across Global Melbourne.

### **Managing regional growth**

Clearly, working with government has been a key feature of the CfM from the beginning, and the creation of the Department of Planning and Community Development (DPCD) in 2007 helped to define a key point of government focused on the state government body, to move regional planning forward. DPCD was the lead entity in what became a growing network of government entities dedicated to Melbourne's revitalization and regional development. This network currently looks as follows:

- **The Department of Planning and Community Development**—Created in 2007 (previously the Department for Victorian Communities), the DPCD acts as the coordinator of state human services and local development resources. The notion is that local problems cross boundaries and need to be examined at a regional level with tools and resources coordinated through this department. Affordable housing is a good case. The state wants affordable housing policy spread across jurisdictions to reduce the potential for concentration of low-income neighborhoods. This policy has implications for the allocation of other social and community services as well as for health services and police. So this agency is a policy coordination group, since most of the delivery units are outside its purview.
- **The Minister for Planning**—The Minister for Planning is responsible for the planning division within the DPCD, which is tasked with “providing statutory and strategic guidance about planning” to the state government. The planning division spearheads the collection of data and the organization of settlement planning across the state, including for Melbourne. Since the planning division of DPCD gives out zoning permits, its actions

control the tempo and location of development. The Minister for Planning is also responsible for Places Victoria (see below).

- **Places Victoria (formerly VicUrban)**—Places Victoria is the State of Victoria’s regional development corporation. It acts much like US-style redevelopment agencies, taking state land and forming it into large-scale real estate outputs. It is designed to prepare a place for development when local real estate finds a site too large, too complicated, or unlikely to attract immediate markets. As a regional body, Places, Victoria leads the development direction for the state, pushing or pulling development to meet state policy objectives, particularly on projects like inner city renewal and downtown revitalization.
- **Growth Areas Authority**—This body was formed in 2006 to ensure orderly fringe development. As Melbourne grows, orderly infrastructure provision is important to make sure these new communities are sustainable.

Concerned about protecting the long-term liveability and productivity of the city, in early 2009, Committee for Melbourne members began discussions about a new task force to think collectively about the growth challenges facing Melbourne. To meet this challenge, the CfM formed the Shaping Melbourne Taskforce to help shape a rapidly growing population that was creating additional pressure on the already stressed infrastructure, services, and resources. The CfM took on the leadership role by directing its members to consider how they would like to see the city develop and to envisage how they would live and work in the future. Some of the suggested themes put forward for consideration were greater urban consolidation, developing new suburbs, and further enhancing satellite cities.

Helpfully, the formation of the task force coincided with similar trends elsewhere on the policy landscape. At a macro level, the emergence of climate change issues was driving an increased focus by the community and governments at all levels to begin considering how to guide sustainable development. At the federal level, a new national urban policy direction emerged

with the creation of the Major Cities Unit, established under the Minister for Infrastructure, Transport, Regional Development and Local Government. This body was charged with guiding federal asset allocations toward a national urban-based economic mandate, moving away from the long-held rural and natural resources focus of the nation.

The work of the CfM's previous task forces—Climate Change, Higher Education, and Transport—provided an overarching framework and would provide opportunities for the committee to add value through the insights of its diverse membership. Shaping Melbourne provides the opportunity to comment on and question current practices and beliefs relating to the city's development and to formulate ideas and outcomes as to how to build a community and economy of the future that will be resilient to the economic and environmental challenges facing Melburnians.

### **Regional collaboration**

The Shaping Melbourne Taskforce was launched in May 2009 and included major leaders in government, business, and community sectors. The task force involved more than 160 members of the CfM over a 12-month period and culminated with the release of a three-volume report under the banner, "Melbourne Beyond 5 Million."

One of the key roles of the task force was a review of the existing policy frameworks, "Melbourne 2030" and "Melbourne @ 5 million," undertaken by the CfM's executive board. It also held workshops with invited expert speakers and conducted surveys to draw out key issues and messages from the membership. Four working groups were established to focus in more detail on key issues:

1. **Melbourne @ 10 million**—to consider a long-term vision of Melbourne's future development based on the scenario of Melbourne's population at 10 million people and the

economic rationale of the polycentric city model proposed in the state government's Melbourne @ 5 Million planning framework.

2. **Infrastructure**—to consider the infrastructure needs of Melbourne and to support the proposed activities centers, reinforce the polycentric model, and enable coordinated longer-term infrastructure planning to serve up to 10 million people.
3. **Built form solutions and place**—to consider built form solutions for substantially increasing density in established urban areas and to examine how Melbourne's livability can be maintained as the city grows.
4. **Community engagement**—to consider how the community can be engaged in Melbourne's development and how both community and government can be encouraged to embrace the big picture.

The groups were given the aim of producing key recommendations—one for government policy and two for CfM member action. To move talk to action, the CfM task force also held sessions with key stakeholders and decision-makers, including:

- all tiers of government;
- government departments; and
- various community and industry groups.

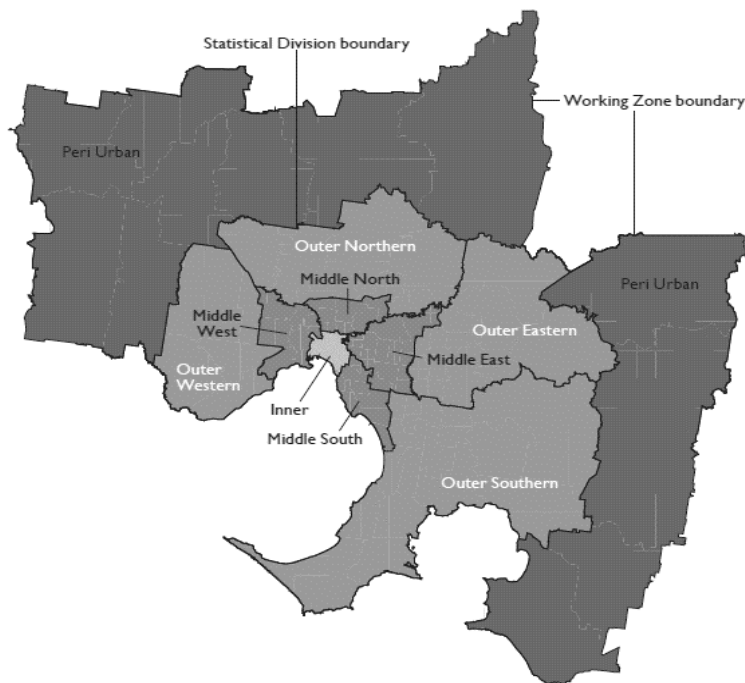
### **Regional issues**

A natural outcome of rapid population growth, mixed with the historically entrenched aspiration for the “quarter-acre block,” is low-density urban sprawl. To avoid caving to this relatively simple but in the long term unsustainable outcome, the CfM built the case for an alternate future based on a strong research base.

The population of Global Melbourne grew from 501,580 in 1901 to 2.8 million in 1981, and by 2006 it had reached 3.7 million. The outer sector of the city grew rapidly, accounting for 78% of Global Melbourne's total population increase between 1981 and 2006. As discussed

above, the inner and middle sectors experienced population losses between 1981 and 1991, but since 1991, all three sectors have experienced positive growth, with the inner sector growing more rapidly than the outer sector since 1996.

**Figure M1: Map of Melbourne working zones, sectors, and subsectors [Source: *Population growth, jobs growth and commuting flows in Melbourne*, Bureau of Infrastructure, Transport and Regional Economics, 2011]**



Melbourne's increased population was accommodated largely through expanded residential development on the urban fringe. Fifty-eight percent of the city's population growth between 2001 and 2010 occurred in the outer sector, 26% in the middle sector, 12% in the inner sector, and 4% in peri-urban areas.

While this overall growth was a positive sign for Global Melbourne, research by a national housing research body, the Australian Housing and Urban Research Institute (AHURI), provided evidence in 2010 that Melbourne was becoming increasingly stratified. This and other research showed that the sociospatial divisions that characterize Australia's major cities have become more pronounced. In other words, not only had the income gap between rich and poor

households widened, but this gap has played out spatially in differentiating the urban communities that house the rich and poor.

So the CfM's task force could see that sociospatial divides were a matter of public concern. House prices and rent levels play a pivotal role in shaping the socioeconomic landscape of Global Melbourne by determining where people can live based on their economic resources.

Key points raised by AHURI in their research were:

- Between 1986 and 2006, the numbers of households in the lowest and highest income categories increased, while the numbers of middle-income households declined.
- Evidence of spatial polarization can be found in the widening gap in median house prices between Melbourne's highest- and lowest-cost areas. The gap more than doubled between 1986 and 2006, leading to low-income households becoming considerably more restricted in their potential residential location choices.
- Related research confirmed Melbourne's geographical division with relatively heavy concentrations of professionals who live and work in the inner eastern regions of Melbourne in professional services and finance and relatively heavy concentrations of people who live and work in the outer west, northwest, and southeast in manufacturing and transport and distribution, where jobs are declining due to international competition and technological change.<sup>69</sup>

The net implication of this research demonstrates that Melbourne's most vulnerable communities were those farthest from the central city jobs belt.

It became clear that the key to making Melbourne a better, more equitable place for all was to develop housing policies that emphasized higher densities with better community services and transportation in the inner ring of suburbs. To this end, the CfM launched a media and information campaign aimed at community leaders and decision-makers, promoting higher density in line with the prediction that Melbourne's population will reach 8 million by 2060.

The CfM encouraged these leaders to work to rebuild and reshape housing and related investment along major corridors next to transport, to build better, smarter density in the inner suburbs through the reuse of existing building stock formerly devoted to commercial and industrial uses, and to focus development in inner city areas that are well served by local and regional transit.

This approach would also have important environmental benefits for the city. As Buxton and Scheurer argue:

Unless current practices are changed in Melbourne, land set aside in outer urban areas will be used up for housing faster than necessary and large areas of land squandered. Melbourne's comparatively advantageous position on land supply in both Australian and international terms will be lost with substantial economic, social and environmental costs. Melbourne's car dependence will increase, resulting in seriously congested outer urban areas and unabated pressure towards prioritizing public infrastructure spending for outer urban freeways that fail to encourage shorter trip lengths and shifts to sustainable transport modes. Environmental conditions will worsen. Inequalities regarding travel times and costs, housing diversity, type, price, and affordability, access to facilities, and other social and environmental factors will become entrenched.<sup>70</sup>

The CfM also argued that "we shouldn't just look at the numbers; we need to start thinking about how to accommodate changing demographics. By 2025, an estimated 51 per cent of households will be 'no-child' households. This means Melbourne will need to have a range of housing stock to suit this market."

While this approach may seem logical, at the same time, strong anti-density forces opposed any increases in density and mounted density scare campaigns. Melbourne's inner suburbs are distinctive, with an emphasis on low-density houses in garden settings. Local communities were told they would be overshadowed and that crime would increase. These groups

demonstrated and received considerable media attention. Some large projects were poorly located and poorly designed, adding fuel to the anti-density arguments. So the CfM had to put its collective neck out on an issue that would ultimately reshape the wealthiest “leafy suburbs,” where key executives among the CfM members resided. Throughout this ongoing battle, the CfM has been steadfast in spite of considerable criticism from some academics and community leaders.

While this made for a challenging process, Global Melbourne has now begun to see some changes in line with the CfM’s vision. The population density of the Melbourne urban area increased from 1455 to 1566 persons per square kilometer between 2001 and 2006, with the largest increases occurring in the inner-city suburbs of Melbourne, Southbank, and Carlton. This reflects a shift toward higher-density forms of housing.<sup>71</sup>



### **Role of the Committee for Melbourne**

As this chapter demonstrates, the Committee for Melbourne has filled an important void in Melbourne's governance landscape, particularly as the regional voice. Growing and changing demographics are shaping all global cities, and courageous approaches to smarter density are required. Regional organizations can play many different roles in addressing these issues. In Melbourne's case, the essential tasks taken on by the CfM have been the following:

- Forming the coalition of actors to ascertain the issues;
- Using its considerable policy staff and other resources to help define the issues;
- Building partnerships to lead community education on the issues;
- Forging collaborations among policy actors to take action in their respective spheres to address the issues; and
- Mounting media and lobby campaigns to implement the policies and related actions to accomplish the goals.

Looking at outcomes, the Committee for Melbourne's extensive engagement and advocacy campaigns have assisted in bringing forward the following benefits:

- Increasing awareness amongst the community, business, and all tiers of government of strategic city planning issues;
- Reviewing of the state planning system;
- Debating livability options for outer suburban Melbourne;
- The revisiting of the metropolitan plan looking toward a long-term view (30–40 years); the release of the Victorian Government's Metropolitan Planning Strategy will occur in 2013,

with formal consultations and engagement currently being conducted. The CfM has been identified as a key stakeholder during this process;

- Articulating a clear vision for the state; and
- Addressing the recent articulation of corridor growth strategies featured in the revised Precinct Structure Plan approach - [http://www.gaa.vic.gov.au/growth\\_corridor\\_planning/](http://www.gaa.vic.gov.au/growth_corridor_planning/).

### **Conclusions and lessons**

The CfM's experience was remarkably similar to the lessons learned from the Ontario approach, and as such, we have mirrored the lessons learned from that case study:

1. Regional stakeholders have a vested interest in the total economic area, so they can often help government form vision and direction.
2. Horizontal engagement is helpful. That is, key government and key business and community leaders can generate new paths to solutions that vertical administrative systems cannot. This is the key to the CfM success—including people at the right levels in examining the issues and creating paths to solutions as opposed to trying to influence from the top down.
3. Consultation should be aimed at solving problems and not meetings for meetings' sake. As the CfM experience shows, good consultation processes are outcome-focused, and good consultation is done at appropriate points where the decision parameters are clear, so the direction of policy is informed by the consultation process. In essence, consultation is best used to test options, not to find the problem.

Regional stakeholder organizations like the CfM facilitate the process of governing by providing information and collaboration. It is rare that any other institution has as great a capacity to play this role. But it is a delicate role. The leadership of the policy debate must be open and transparent, with the regional needs and not business or jurisdictional requirements given central billing. Independent policy research that is deep and continuously funded

extramurally, not by government alone, is essential. Ideally, the government should play only a minor funding role for the regional collaborative. Membership with continuity seems critical as well, even though this is tough when business leaders serve global masters. Finally, honesty and clarity are paramount. Regional collaborative organizations are not compromise organizations. They must aim high and stay the course, taking visionary positions based on the data. While they do and must gain public involvement, such involvement is not intended to be popular but to show openness to new information and public concerns without diverting from the pursuit of well-grounded “big picture” directions.

## Bay Area regionalism: San Francisco's tortuous journey to regionalism



<b>Topic</b>	<b>Indicator</b>	<b>Data</b>	<b>Source</b>
<b>Residents</b>	<i>City, 2000</i>	776,733	U.S. Census
	<i>City, 2010</i>	805,235	U.S. Census
	<i>Metro, 2000</i>	4,123,740	U.S. Census
	<i>Metro, 2010</i>	4,335,391	U.S. Census
<b>Employment</b>	<i>Metro, 2000</i>	2,126,725	U. S. Bureau of Labor Statistics
	<i>Metro, 2010</i>	1,884,383	U. S. Bureau of Labor Statistics
<b>GDP</b>	<i>Regional GDP Per Capita, 2010</i>	\$75,178	U. S. Bureau of Economic Analysis
	<i>National GDP Per Capita (USD), 2010</i>	\$46,612	The World Bank
<b>Surface Area</b>	<i>City (sq. km, excluding water area)</i>	121	U.S. Census
	<i>Metro (sq. km, excluding water area)</i>	6,399	U.S. Census

<b>Government</b>	<i>Number of Jurisdictions in Metro</i>	Five counties including 65 cities/towns	U.S. Census
	<i>Presence of Overall Metropolitan Government</i>	No, although the Metropolitan Transportation Commission is responsible for regional transportation planning and financing of an extended nine-county area.	

## Introduction

As early as 1910, only four years after the Great Earthquake and Fire of 1906, the City of San Francisco’s hubris could not be contained. San Francisco felt it had an almost divine right to create “The Greater San Francisco,” an area that covered all of the prefer city and beyond to Oakland, Berkeley, and Richmond. San Francisco announced its desire to lead on regionalism and announced a new civic organization, created to champion, it called “the San Francisco Regional Association.” This association, led by leading city advocates including Mayor Schmitz and a committee of fifty other influential players, embarked on a grand scheme to make San Francisco a single “super city” to rival New York’s planned borough scheme.<sup>72</sup>

The notion of a super city so enraged Oakland that when a bridge to cross the bay was initially proposed, Oakland’s Mayor Mott threatened to get the state legislature to block any attempts by San Francisco to transgress Oakland’s and East Bay’s sovereignty. In a similar vein, subsequent attempts to create a governance mechanism to meld the fortunes of the cities that surround the San Francisco Bay into a regional entity have been thwarted by internal rivalries and jealousies, acted out on the political stage like a bad Italian opera. San Francisco has always been the pursuer, with South Bay communities like San Jose and the San Mateo Peninsula

mirroring Oakland's hostility to any form of outreach that might see their idyllic environment tangled with the industrial/financial hub of San Francisco.

### **Context**

When the San Francisco Chamber of Commerce met in 1907, with the embers of the earthquake fires barely doused, the Greater San Francisco Association was born. The association was aimed at forming a new city composed of San Francisco, Colma, South San Francisco, the East Bay cities from Richmond to San Leandro, and the Marin County cities of Sausalito and San Raphael.<sup>73</sup> This movement for a super city was focused on jobs, water, and transportation. San Francisco had jobs but was too small for its population base and needed a large catchment to support rail transport and an adequate supply of fresh water. The underlying goal of a bigger city to control and not to share was not missed by the target jurisdictions. While they resisted the notion of being ruled by San Francisco, the inevitable realities of needing to ensure the vitality of the bay, to control leapfrog development into the hill areas, and to meet transport and water needs eventually led to the plethora of collaborative institutional arrangements that characterize the region today. Thus, in many respects, the roots of regionalism are deep in the greater San Francisco area.

### **Defining region**

In spite of or because of these deep rivalries, the San Francisco Bay Area—defined as the nine counties that touch on San Francisco Bay and what we will call “Global San Francisco”—has at times been an innovator in collaborative regional governance. From 1910 to 1988, numerous attempts were made to craft regional institutions to guide and govern the natural geographic region surrounding San Francisco Bay. The responses to regionalism that have emerged over the years present a fascinating story of innovation to preserve precious regional assets and to merge transportation and related infrastructure to support commercial growth. Civic

regionalism has also been and continues to be an article of faith for the elites of Global San Francisco.

### **Non-governmental communal regionalism leads the way**

Alas, even with a high degree of public interest, will, and innovative leadership, any form of regional governance beyond specialized agencies has died in local or state legislatures, frequently by narrow margins. Those agencies and organizations that have survived have done so by carving out niches for themselves on issues of particular importance to the region. By looking more closely at some examples, we can see clues to how other regional projects may succeed in the Bay Area in future.

#### ***Sierra Club***

As far back as 1892 San Francisco, the famous naturalist John Muir and other civic elites formed the aptly named Sierra Club, primarily to encourage recreation. As the Sierra Club advanced its mission, it became apparent that uncontrolled commercial and housing development could destroy the precious habitat that surrounded the San Francisco Bay and extended to the nearby Sierra Mountains, a habitat that provided fresh water and animal and natural life for the region. By 1926, the Sierra Club moved its focus from recreation to advocacy, to protect the vast tracts of pristine mountains and forest that surrounded the bay. State parks like Tamalpais in Marin County on the northern edge of the bay were made state parks, and Sierra Club members became active in preservation efforts extending along the entire range of the Sierra Mountains. In the San Francisco area, members of the club became active local preservationists, pushing for and succeeding in controlling growth in the Oakland Hills with the establishment of the East Bay Regional Park in 1934.

#### ***Bay Area Council***

With the Bay Bridge construction in 1932, the commercial ties around the bay deepened, with concurrent pressures on land conversions from farms and open space to industrial and



commercial space. In response to these developments, the Sierra Club's activism to stem environmental degradation was matched by emerging civic elites in San Francisco and Oakland, who wanted to ensure more orderly growth. Led by the master builder Edgar Kaiser and state legislators like Jack McCarthy of Marin, efforts to create a coalition to manage the Bay Area were spawned. These efforts culminated in 1944 with the formation of the Bay Area Council (BAC), a business-led organization that also included political leaders.

It was obvious to local business leaders like Kaiser that the west coast was now on the national map. Business leaders in the San Francisco Area had to band together to advance the area's fortunes. While the BAC is the voice of business, its charter has spread wider than the traditional chamber of commerce functions. It was an early supporter of regional versus local controls over rapid development around the bay shoreline and promoted the need for more compact development in core cities on the bay rather than increasing sprawl. BAC became the bay watchdog for pollution, championing the creation of the Bay Conservation and Development Commission in 1965. It later led the fight for the Bay Area Rapid Transit system (BART) from the 1950s until the system began operation in the 1970s.

### ***Golden Gate Regional Association and others***

On projects like these, the goals of the Sierra Club and BAC membership and leadership overlapped, creating an interesting and forceful political link that generated other similar entities aimed at regional coherence. A key example is the Golden Gate Regional Association, designed to deal with the precious landscapes linking San Francisco and Marin, with the Golden Gate Bridge as a common link. Similar organizations protect the San Francisco

Peninsula Hills, the western end of the bay, and the East Bay shorelines. Most have common interests, and many have overlapping memberships.

### ***San Francisco Housing Association, Telesis, and SPUR***

Citizen activism on a regional scale also blossomed on other issues affecting the San Francisco Bay Area. As early as 1910, a pioneering group of architects, planners, and social activists formed an organization called the San Francisco Housing Association (SFHA), driven by concerns about not just whether San Francisco would rebuild after the earthquake but how and where. A hard-hitting report championed by SFHA on the shoddy post-quake construction led to the State of California Tenement Act of 1911, which required improved housing quality and fire safety.

SFHA didn't fade into the woodwork after its initial victories but remained active in housing causes. In the 1940s, as things heated up during and after World War II, SFHA was joined in this mission by a new group called Telesis, spawned by the University of California Berkeley City and Regional Planning Department. SFHA and Telesis shared missions and members, so in 1942, these groups merged, forming the San Francisco Planning and Housing Association (SFPHA). In the 1950s, SFPHA pushed for the revitalization of San Francisco as the Bay Area's central city in an effort to curb suburban sprawl and channel growth back into the urban core. SFPHA played a strong role in advancing social justice and quality planning outcomes during the postwar era, as new development and redevelopment became the modus operandi in downtown San Francisco. As an advocacy organization with strong professional links in the Bay Area community, SFPHA was the voice for the progressive civic community in San Francisco, with links to Oakland and Berkeley. SFPHA was primarily a San Francisco organization, with its primary membership base in the city. In the 1960s, as the Bay Area spread uncontrollably, the interest of the city and the region were increasingly intertwined. In

response, the connections with UC Berkeley Planning were exploited to give SFPHA a deeper empirical research base to support both city and regional agenda building.

In 1959, the San Francisco Planning and Housing Association was reorganized into the San Francisco Planning and Urban Renewal Association (SPUR). In the 1960s, SPUR became a counterweight to the strong-handed city redevelopment promoted by the City Redevelopment Director, Justin Herman, who masterminded the total redesign of San Francisco's civic heart. In the late 1960s, SPUR took on regional sprawl, advocating for Bay Area transit approaches that culminated with the BART system. Beyond transit, the organization also became interested in housing and local economic development. In the new iteration, it began to look like the New York Regional Plan Association (RPA), which several of its earliest founders had advocated in the 1920s. While both organizations have their strongest ties to the primary city of the region, they both also have wider regional agendas and capacities. However, New York's RPA is larger, with a deeper business base and stronger links outside the core city.

### ***Joint Venture Silicon Valley***

As Silicon Valley emerged, the new entrepreneurs felt left out of Bay Area decision-making, which was dominated by San Francisco and to a lesser degree by Oakland. As regional manufacturing shrunk postwar, without a military defense budget to support it, a new set of innovators who worked in former defense projects emerged. This movement formed a new industrial base, spawning inventive technology from silicon chips to mass-produced computers and an array of business and consumer electronics. They retaliated against their perceived lack of involvement in regional decision-making by developing their own subregional stewardship and advocacy bodies. Initially, the manufacturers coalesced in the Silicon Valley Manufacturers, and later on, a new civic group with a social as well as economic base was formed: Joint Venture Silicon Valley (JVSV). This group promoted the revitalization of San

Jose and the development of light rail, sports facilities, local schools, and affordable housing. JVSV remains a strong force and today feels on a par with the BAC.

### **Administrative regionalism crisscrosses the bay**

Global San Francisco has at times been a national leader in solving regional problems. In addition to the efforts of private businesses, nongovernmental organizations, and individual people, the region has on occasion succeeded in forming new governmental institutions when necessary. At time of this release ABAG is being merged with the Regional Transportation Agency into a single mega landuse-transportation monolith effective July, 2017.

Some organizations, like the East Bay Municipal Utility District and the East Bay Regional Parks District, cover parts of two counties (Alameda and Contra Costa). The Bay Area Rapid Transit District consists of three counties (San Francisco, Alameda, and Contra Costa) and, with its new service to San Francisco International Airport, operates in a fourth.

Other agencies work in all of the nine counties: The Bay Conservation and Development Commission, the Regional Air Quality Management District, the Regional Water Quality Control Board, and the Metropolitan Transportation Commission. There is also the Association of Bay Area Governments (ABAG), which is a voluntary regional coordinating body composed of elected representatives from most of the counties and cities in the Bay Area. This organization provides monitoring data on the area's demographics, economics, and environment. In some areas, it provides executive leadership for all jurisdictions over such issues as transportation and congestion, settlement patterns, and air and water quality. While it does not govern, it helps set the collaborative agenda for local and county governments to follow in key areas of land use, housing, transportation, and economic development policies. These agencies are governed by elected policy-makers (the two East Bay districts and BART) or by the appointees of elected officials (all of the others), but they have two things in common: (1) they were created 30 or so years ago, and (2) they each deal with a single problem—for

example, funding transportation, protecting air quality, or protecting the bay. At the time these agencies and public benevolent organizations were created, each was regarded as urgently needed to deal with a specific problem and also as a step toward an ultimate regional institution to deal with multiple problems.

Unfortunately, few steps toward any consolidated governance have occurred. The result is that Global San Francisco is governed in a patchwork of cities, counties, special districts, and regional agencies. If it were possible to start over, to design a sensible self-government for a geographic territory the size of the Bay Area, with a population of 7 million and growing, just what would be the best approach?<sup>74</sup> Before turning to look at current efforts to improve regional governance in Global San Francisco, it is useful to review briefly what has been tried and has failed.

***Regional governance(ment), near misses***

Between 1940 and 1960, the San Francisco Bay area population doubled. Progressive civic leaders commissioned a series of reports that showed the inadequacies of current governmental and institutional structures to manage this growth or any future increases. The report cited the failures of the transport sector, with airports, seaports, bridges, and roadways that could not cope and the lack of any mechanisms to handle the new load. In December 1958, Edgar Kaiser, under the auspices of the BAC, led a coalition of business interests to propose a Golden Gate Authority (GGA). This GGA was conceived as an independent agency with its own source of revenue from bridge and road tolls. This new organization would have the power to build new region-wide infrastructure using this revenue and would be capable of issuing bonds to finance its projects. It would have an appointed board of business-minded individuals with a professional staff.

Kaiser and civic leaders stumped the localities and state legislature for months with data, speeches, and convincing logic. In May 1959, the mayor of Berkeley convened a meeting of

42 cities represented by councilors and city managers from around the Bay Area. The results of the meeting were predictable. Everyone opposed the idea of such an authority. The city manager of San Leandro, a small bedroom community bordering Oakland, argued:

It is...not merely a monster, but a financially healthy monster, which, with built-in financing from all lucrative revenue producing facilities of the area, can independently go its merry way...without regard (for) local government.<sup>75</sup>

The idea died shortly after in the state legislature by being amended to death. The Association of Bay Area Governments (ABAG) emerged from the wreckage as a regional coordinating body, with all nine counties having one representative each. ABAG as constituted created a sounding board but has no direct governance capacities.

### ***Another try***

Another effort emerged in the 1990s after years of underfunded infrastructure and tax revenue shortfalls. Through Proposition 13, the Bay Vision 2020 Commission was created. It was headed by Ira Michael Heyman, who had just completed nine distinguished years as Chancellor of UC Berkeley and who later became secretary of the Smithsonian Institution.

This commission consisted of 32 people, widely diverse and from all parts of the Bay Area. Its goal was to see whether such a group could, in a year, come to any consensus about steps for regional action. Somewhat surprisingly, the group did. It concluded, in Heyman's words:

As with most people in the region, we cherish the Bay Area and seek to assure its beauty, livability, economic strength, and the opportunities it affords those who live here. We have concluded, however, that these qualities are in jeopardy because we have no effective means of addressing the problems that cross city and county boundaries. Only by some changes in the structure of government in the region can we tackle increasing traffic congestion, long

commutes between home and job, shortages of affordable housing, loss of valued open space to urban sprawl, predictable air pollution, and deterioration of our economic base.

The commission proposed merging the Metropolitan Transportation Commission, ABAG (for its land-use planning function), and the Air Quality Management District. The goal: to integrate planning and decisions for land use, transportation, and air quality. This was not intended as a final step, but rather as the initial framework to which could be added all other responsibilities such as water supply and quality and the control of bay planning. In 1992, the core commission recommendations were introduced into the state legislature by a Republican senator, Rebecca Morgan of the Silicon Valley area. Her bill passed the assembly, thanks to the energetic leadership of Willie Brown, who was then speaker of the assembly and had proposed a strong regional reorganization.

Despite heavy lobbying against it, the Morgan bill was approved by two committees in the state senate. But the bill died on the senate floor on the last night of the 1992 legislative session. It received 36 votes but not the 41 it needed for passage. That was the high-water mark of recent progress toward effective regional decision-making, according to Joseph E. Bodovitz, former executive director of the San Francisco Bay Conservation and Development Commission, the California Coastal Commission, and the CPUC, in his history of Bay Area Regionalism.<sup>76</sup>

***We see the enemy!***

As a result of these failed attempts, a regional governing authority has not come to Global San Francisco. In its absence, however, regional collaboration has continued to flourish. Planning and coordinating are now in vogue where administrative governance has failed. This trend has

led to the development of the current proposal for a regional approach to managing Global San Francisco, known as the One Bay Area Plan.

### **One Bay Area Plan—last chance at regional planning?**

Necessity, it is said, is the mother of invention. In 2008, the California legislature passed the nation's most sweeping climate change legislation. Under S 375, all California communities must join in regional efforts to reduce greenhouse gas emissions and control environmental degradation through smarter planning and transportation. This law, signed by then-Governor Arnold Schwarzenegger, required local governments to align their planning process into meaningful regional action.

For Global San Francisco, the mechanism to deliver this mandate fell on the voluntary association known as a Council of Governments (COGs), which had heretofore been little more than a meeting ground for discussion of joint problems, data gathering, and meeting some state and federal land use and transportation requirements. As a result of the need for a regional environmental template that could alter land use and environmental policy, the COG became the default regional entity to operationalize the new state mandates, under the title of the Association of Bay Area Governments. ABAG became the central agency for consolidating myriad administrative regional activities, and in doing so, moved into the role that Edgar Kaiser dreamed of and Mike Heyman almost made happen in the 1990s. ABAG assumed the mantle of Global San Francisco's governance, not as an administrator but as a collaborative leader.

Regional collaboration was formalized with the creation of a new instrument called the One Bay Plan, generated by ABAG as a response to the state requirements for a single land-use plan incorporating all natural, transportation, and environmental resources. One Bay would be ABAG leading a coordinated effort by the other major Bay Area body. It would include the Metropolitan Transportation Commission with power over the allocation of road and mass transit funds as well as Bay Conservation and Development (which controls all forms of



development that feed into or are adjacent to the bay), and finally, would include the Regional Air Quality Board, with power over a string of industrial and other activities that pollute the air and degrade the environment. This macro-regional organization could subsume myriad subsidiary agencies delivering transportation, land use, and housing services.

The One Bay Plan's requirement under state law is to produce plans and projects that support a Sustainable Communities Strategy, which will coordinate land use and transportation in the regional transportation plan. Taken together, the land-use patterns and transportation investments aimed to reduce greenhouse gas emissions for cars and light-duty trucks in the nine-county region by mid-2013. The One Bay Plan cannot be set on a shelf, as it has to be measured regarding land use and environmental impacts every two years and must reach stringent targets by 2040.

### *Getting there from here*

After more than two years of in-depth research buttressed by the work of the University of California-Berkeley, as well as by major inputs from regional think tanks and leading urban economic consultants, ABAG came up with a simple but clear approach—solving the jobs-housing imbalance in Global San Francisco. Since the Second World War, the Bay Area's population has skyrocketed from less than one million to more than five million, on a very fragile, environmentally sensitive landscape. As a result of the stringent land conservation

measures at the core, development has leapfrogged east, north, and south at the far end of the highway corridors.

**Figure SF1: Bay Area Growth, 1900–2010 [Source: ABAG, 2013]**

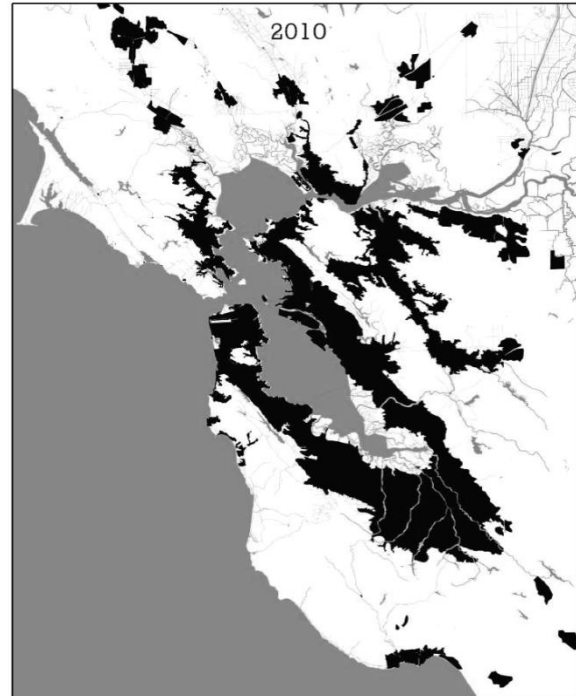
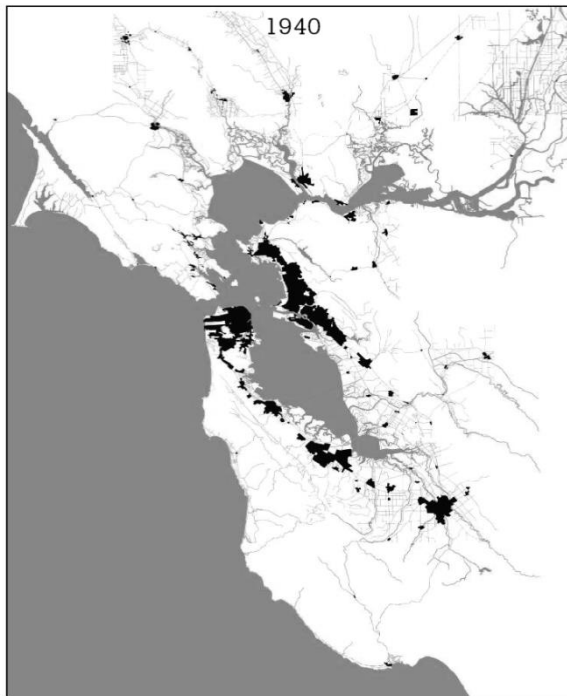
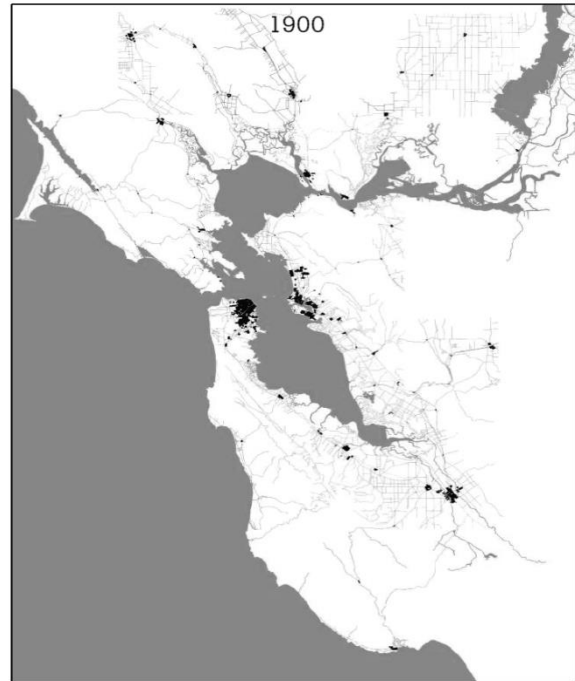
**Bay Area Growth: 1900-2010**

**Bay Area Population**

1900	660,000
1940	1.7 Million
2010	7.1 Million
2040	9.3 Million (projected)

Population data from US Census

Maps courtesy of Global Metropolitan Observatory, Bosselmann, Moos, Doyle, ©UC Regents 2012



Population, not industry, has created the Bay Area's growth. In Global San Francisco—the home of Silicon Valley, Biotech, and marine and material sciences as well as motion picture technologies—the people are the bedrock of the economy. As people come, they invent, create,

and stay. In the 1980s, the University of California campuses in Berkeley and San Francisco reported that 80% of all graduates who came from outside the region remained in the Bay Area post-graduation.<sup>77</sup>

To cope with this population in an environmentally sustainable way, the most efficient response is to make sure people's work and residential locations are close together. This allows the reduction of carbon emissions and produces livable, sustainable communities.

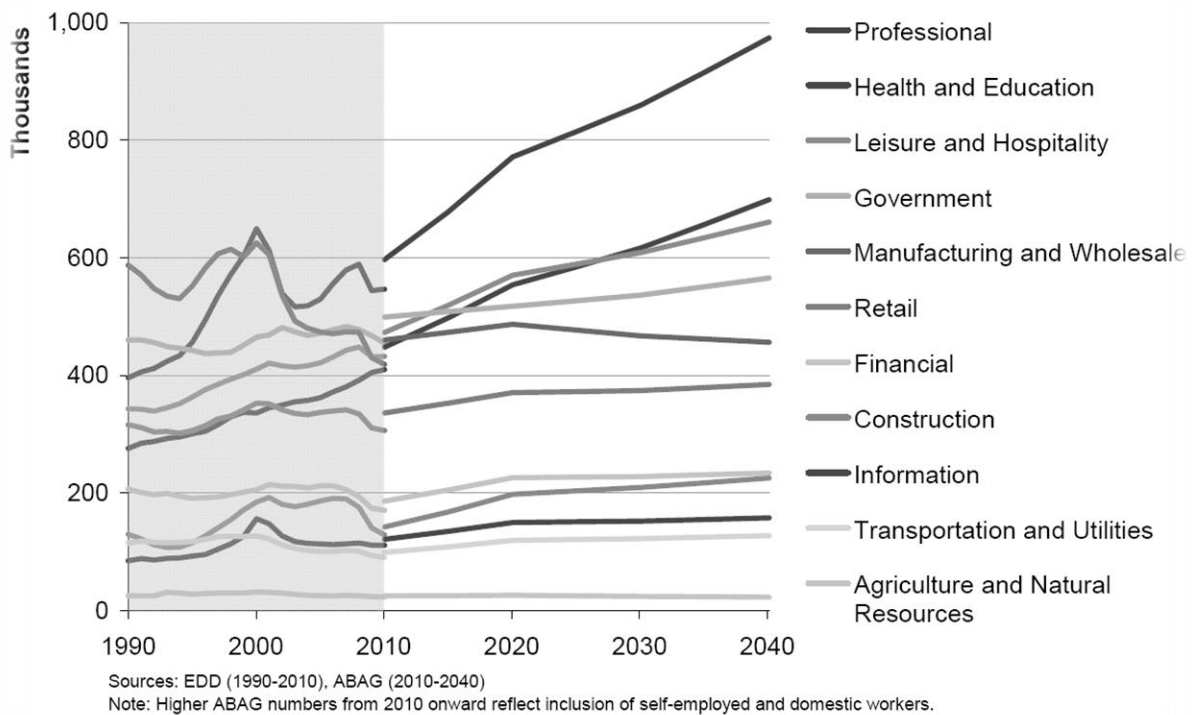
To achieve this goal, with the support of its members, ABAG initiated the Jobs-Housing Connection Strategy. The strategy is a long-term approach to growth that articulates how the region can capture its economic potential by providing more housing and transportation choices

to Global San Francisco residents and workers. The strategy seeks to achieve four comprehensive goals:

- Create jobs to maintain and expand a prosperous and equitable regional economy;
- Increase the accessibility, affordability, and diversity of housing;
- Create a network of complete communities; and
- Protect the region’s unique natural environment.

These four goals combined could leverage existing community infrastructure and transportation investments and preserve farmland and natural resource lands.

**Figure SF2: Bay Area Employment [Source: ABAG, 2013]**



As discussed earlier, Bay Area residents have long prioritized environmental protection. At the same time, they want to curtail major increases in highway congestion and provide for shorter commutes for the region’s workforce. If the ABAG approach fails, the economic “golden goose” will be cooked, with negative impacts on quality of life including increased commutes,

reduced time spent with families, deteriorating environmental and public health, and threats to the fiscal sustainability of Global San Francisco's cities and counties.

### ***How and where?***

The implementing tool for One Bay developed by ABAG is the FOCUS Initiative, which aims to put housing in areas near transit and closer to jobs. The idea is to get everyone in the more than 100 local jurisdictions on the same page to coordinate future housing, jobs and transportation, and infrastructure and to be the backbone of a more competitive global, regional economy. Through FOCUS, local governments identify priority development areas (PDAs) and priority conservation areas (PCAs). In essence, this means every locality lays out its “no-go zones”—PCAs where recreation, open space, water storage, and conservation are required for local or regional needs. PCAs are regionally significant open spaces for which there exists broad consensus for long-term protection but nearer-term development pressure.

PDAs are the heart of the plan. They are the intersection of jobs and housing in mixed-use developments or are the hubs for transit with high-density walkable neighborhoods as the anchors. They are the areas where new development will support the day-to-day needs of residents and workers in a pedestrian-friendly environment served by transit. PDAs were originally characterized as housing needs in infill communities, but they have since been broadened to advance focused employment growth. Local jurisdictions have defined the character of their PDAs according to existing conditions and future expectations as regional centers, city centers, suburban centers, or town transit centers, among other place types.

PDAs and PCAs complement one another, because promoting compact development within PDAs takes development pressure off the region's open space and agricultural lands. While sometimes easier said than done, the idea is to combine open space areas near the new housing

and to provide walkable shopping and community recreation as integrated strategies in every PDA with a PCA.

Regulatory hurdles remain. Many suburban community codes are antithetical to more intense land uses and favor autos while discouraging sidewalks, bikes, and trees. Social equity concerns have also been raised by nonprofits, because many suburban communities, in the recent past, used regulatory mechanisms to zone out affordability and minorities. And unfortunately, the development industry has a mixed record in providing quality products in infill areas where costs for redevelopment are high.

Another major impediment to housing production and infill development in Global San Francisco is the often lengthy project entitlement process. In many cases, the amount of time required for planning and environmental review leads projects to miss the period during an economic cycle when a demand exists for new housing or commercial space. In the near term, the ABAG project team with its nonprofit partners are working with local jurisdictions to implement proven strategies for advancing infill development in PDAs. Among these strategies are station area plans, reduced parking requirements, expedited processing, and programmatic environmental impact reports (EIRs) that eliminate the need for individual project EIRs. Efforts are also underway to expand PDA planning grants and technical assistance. The ABAG team is exploring an approach that will provide “tiering” benefits for transportation and land use projects consistent with these plans. If a viable approach is identified, it can be implemented through the EIR.

Finally, state and local tax structures like Proposition 13 remain obstacles to creating a balanced regional growth pattern. The current approach to taxation creates incentives to attract development that maximizes sales tax revenues at the expense of housing and the growth of industries capable of expanding opportunities for residents and local businesses. A variety of best practices exists for addressing this challenge, but a regional discussion is needed to create

solutions tailored to the unique needs of Global San Francisco. Implementation of the Jobs-Housing Connection Strategy presents a new opportunity to identify, discuss, and evaluate potential approaches to redesigning state tax structures to achieve regional objectives without undermining local control.

***If you build it, what will come?***

PDA's with higher density are an attractive concept in a robust housing market. Since the global financial crisis, Global San Francisco has experienced a weakening demand for housing. In some parts of the East Bay, foreclosures reached and surpassed the national average. In some respects, the market can correct, since housing is built for demand. On the other hand, areas close to transit with single-family housing have to be marked for conversion to higher density, and market subsidies can be provided to ease this transition. As the market evolves, care is being taken by the organization not to push existing residents out to meet a moving target.

Underpinning the PDA implementation are strong planning and urban design tools. Each community is encouraged to build its scenarios with designations. Urban design workshops are funded to assist communities in creating community-friendly alternatives. Key to moving the PDA approach forward is the One Bay Area Grant (OBAG). This grant will distribute \$325 million over a four-year period among the region's congestion management agencies (CMAs) to fund locally tailored projects that meet the goals of reducing carbon, improving mass transit,



and increasing local non-auto transport options. The chart below shows how these different strategies and grants interact:

**Figure SF3: Land Development [Source: ABAG, 2013]**



## Conclusions and lessons

The One Bay Plan does what all its historical antecedents—from the Sierra Club onwards—have been working toward in different ways. It concentrates new development in existing urbanized centers and neighborhoods and helps protect the region’s natural resources, water supply, and open space by reducing development pressure on rural areas. This allows the region to consume less energy, reducing household costs and the emission of greenhouse gasses. The region’s greenbelt of agricultural land, natural resources, and open space is a treasured asset that both contributes to the region’s quality of life and supports regional economic development. In contrast to previous trends that saw these lands consumed for development, the FOCUS Initiative encourages the retention of open space, natural landscapes, and precious waterways by directing nearly all nonagricultural development within the existing urban footprint and by supporting the continuation of agricultural activities in rural communities. This is a win-win.

Few places in the nation have as long and rich a regional planning history as San Francisco. But while other cities like Miami, Indianapolis, and Louisville have taken the big step of forming a regional government, San Francisco has never achieved this goal. Instead, it has relied on a piecemeal approach until now.

ABAG—the centerpiece of this story—is an administrative body, but its power is derived from its members. Until recently, these powers were scant—studies, coordination, and grant supervision. But the wheels of fortune have now catapulted ABAG into the central role for Global San Francisco. It is now tasked with creating an economically and environmentally sustainable region with viable, resilient communities prepared to cope with climate change. This is a bold role, and it has not usurped anyone else’s responsibility to take on this daunting mission. What it has done is:

1. Make a big opportunity manageable through collaboration. Taking on the formidable task of generating sustainable communities is one that many other organizations would have

taken on with trepidation. But ABAG saw this as the role it could and should play and crafted a collaboration approach that reinforces local assets while meeting state-mandated regional requirements. In doing so, ABAG has become what other past groups wanted to be but could not achieve.

2. Let everyone into the tent. ABAG is operating as the facilitator, not the governor. The ABAG leadership has astutely asked everyone to help and has included all who wanted to in crafting the directions and programs. It has been savvy in giving nonprofits and other regional organizations roles rather than reducing other institutions' visibility or power.
3. Play both the inside and the outside game. This has been a clear strategy for ABAG. On the inside, it is the state-mandated agency. But it also acts as an advocate for the communities and works with nonprofits and others to advance economic, social, and political goals in the state legislature or to alter the behavior of its own city members.
4. Come armed with data. This is the ABAG byword. Its strategies come from a strong empirical base, so the goals are easy to see and the means clear.
5. Use money as a tool to reach the goals of all participants. This is an important approach, because small grants can leverage larger outcomes. The \$300+ million ABAG has over four years is a small amount for a region of more than 100 cities and nine counties. Money gets attention, and ABAG is using the funds it has and those it can leverage to move the agenda of communities to meet regional goals.

Overall, the approach ABAG has adopted aligns with that proposed by Louise Dyble, an astute infrastructure historian. She argues that “regional planning advocates might achieve better outcomes by focusing on overcoming structural obstacles and defeating their opponents than by weakening their proposals for regional governance.”<sup>78</sup> ABAG has done this, and it works.

Why make it simple, when it can be Brazilian complex: São Paulo houses urban poor



<b>Topic</b>	<b>Indicator</b>	<b>Data</b>	<b>Source</b>
<b>Residents</b>	<i>City, 2000</i>	10,434,252	The Brazilian Institute of Geography and Statistics (IBGE)
	<i>City, 2010</i>	10,659,386	The Brazilian Institute of Geography and Statistics (IBGE)
	<i>Metro, 2000</i>	17,900,000	RPA requested from São Paulo Metro, 2012
	<i>Metro, 2010</i>	20,400,000	RPA requested from São Paulo Metro, 2012
<b>Employment</b>	<i>Metro, 2000</i>	7,210,000	IBGE Monthly Employment Survey (data for March 2002, the earliest in the available time series)
	<i>Metro, 2010</i>	9,190,000	IBGE Monthly Employment Survey (June 2010)
<b>GDP</b>	<i>Regional GDP Per Capita, 2010</i>	\$ 23,704	Brookings Global Cities Initiatives, 2012
	<i>National GDP Per Capita (USD), 2010</i>	\$ 10,993	The World Bank
<b>Surface Area</b>	<i>City (sq. km, excluding water area)</i>	1,523	São Paulo State Government

	<i>Metro (sq. km, excluding water area)</i>	7,943	São Paulo State Government
<b>Government</b>	<i>Number of Jurisdictions in Metro</i>	39 municipalities including the City of São Paulo	São Paulo State Government
	<i>Presence of Overall Metropolitan Government</i>	No	

## Introduction

Brazil's history is similar to Nigeria's in many ways. Both are natural-resource-rich nations, and both have experienced troubled political swings, from dictatorships to democracy and other things in between. As in Nigeria, at long last, a strong, sensible republican government now reigns in Brazil. This newfound democratic state has used its rich natural resources to build a nation that is now moving more people out of poverty than any country except China. Brazil held both the World Soccer Football Championship in 2014 and the Olympics in 2016. Its infrastructure politically was weakened deeply by these events and its social, political and economic status has not benefited from these world events.

Playing a part in the rise of nations like Brazil is a transformation in the sociopolitical dynamic that increasingly recognizes the importance of enabling the less fortunate to contribute to the local, regional, and national economies. There is now ample evidence that unless lower-class incomes and conditions improve, a nation cannot move ahead.

This is the rationale behind the UN Millennium program and countless other similar programs. Brazil is a case in point, and its largest urban agglomeration—São Paulo—is illustrative of the need for this national transformation to take root regionally. The metropolitan region of São Paulo in 2010 had a population of just over 20 million inhabitants, representing about half of the State of São Paulo and a little over 10% of the Brazilian population. Sprawling urban regions like this are the locus of systemic problems like poor housing, low levels of sanitation, and reduced maturation with health and welfare effects. So tackling the basics of housing, sanitation, and water are at the root of economic change for Brazil.

Housing and sanitation are issues that have to be addressed regionally, since there are no fixed boundaries between slums in the developing world. This chapter offers a glimpse at how the forces of globalism, regionalism, and public infrastructure intersect with the provision of housing and water in São Paulo. As we will see, a regional approach is needed to resolve these fundamental issues that can prevent significant parts of Brazil's society from contributing to the nation's development.

### **Context**

As noted, Brazil is now being transformed into a middle-class nation thanks to a fast-growing economy based largely on biofuels, coal, iron ore, agriculture, and the manufacturing of niche items like short-haul passenger aircraft. This is a remarkable story. Much is owed to farsighted national leadership, but it is important to note that the leadership in the Brazilian states has been remarkably able as well. From the top down, the nation has undergone an economic renaissance and achieved more balanced democratic governance. It is at the state and municipal level that much innovation arises, for example, in the rebirth of Curitiba, the municipal capital of Paraná state, under Mayor and later Governor Jaime Lerner. Moving people out of poverty is stabilizing the nation.

Crime and informal housing settlements are in rapid decline. The changes are such that both the Federation Internationale de Football Association and the International Olympic Committee felt confident in awarding world championships in these sports in the (FIFA World Cup in 2014, and recently the Olympics in 2016).

This economic growth has not occurred entirely without tensions. Increased living costs have prompted growing dissatisfaction in local, state, and national governments, as demonstrated by the June 2013 riots in urban areas across the nation.<sup>79</sup> To address the nation's continuing large-scale needs and remaining economic disparities, there is a need for better collaboration among local, state, and national leadership.

### **Defining region**

São Paulo is a state with several metropolitan regions inside it. Each region has its own economic base with a central urban core, along with its own set of independent municipal governments. These increasingly interconnected urban areas together are referred to locally as Macro Metropolitan São Paulo, and it is this broader agglomeration that we refer to here as “Global São Paulo.” The City of São Paulo is the seat of state government as well as the major player in all regional activities. Until recently, the City of São Paulo set its own direction with little reference to the metro regions on its immediate periphery. Since 2010, however, the city has recognized that it must behave as part of the larger region to deal with its internal problems caused by the expansion of informal housing settlements in the surrounding areas.

### **Toward metropolitan management**

Managing Brazil is a large task for any government, be it dictatorship or democracy. The vastness of the nation makes governance difficult, particularly given the country's many ethnic variations and cultures and its dispersed settlements. Successive national



governments have tackled this problem with various forms of devolution. In the seventies, as a result of a top-down act from the Brazilian federal military government, several metropolitan management agencies were created. The goal of this particularly unsuccessful approach was for the federal government to reach past the states to govern urban areas. In 1988, a new democratic constitution empowered the municipalities instead, while also giving the states the responsibility to create and manage the metropolitan regions.

After the military government came to an end in 1984, some agencies from the seventies survived with new urban missions. Empresa is one of these agencies. It survived over the years by focusing more on developing studies and collecting data about the city of São Paulo rather than having a strongly active role in metropolitan governance.

While there has at times been little political priority for this issue in the State of São Paulo, Empresa has worked hard to fill this gap. Empresa acts as the regional data gathering and research institution as well as serving as secretariat for the 2013–2040 regional plan, now just taking shape. Especially between the years 2003 and 2007, due to the scarcity of resources for bigger planning exercises, studies, and projects, Empresa worked with the municipalities of the Metropolitan Region of São Paulo on the so-called “agenda metropolitan.” Through a series of workshops involving the participation of a broad range of actors (public, private, and civil), the agency was able to design a first “diagnostic” for regional governance of the Metropolitan Region of São Paulo. The draft law for the creation of the Metropolitan Region of São Paulo governance scheme was also designed and presented to the state congress. The low-profile approach to the workshops and meetings proved an effective way to create some maturity of understanding and an

awareness of the need for governance coordination on the metropolitan level. However, no expectations for big projects were created.

With the state elections in 2011, metropolitan governance arose as a priority for the newly reelected Governor Geraldo Alckmin (previously governor from 2001 to 2006). By this time, the priority for metro governance was clear, so the governor created the Secretary for Metropolitan Development, with the requirement of producing specific policies for the metropolitan regions and urban agglomerations of the state of São Paulo, which together were labeled “Macrometrópole Paulista.”

Macrometrópole Paulista identifies four metropolitan regions within the state, which cover 173 municipalities. The four metropolitan regions within the Macrometrópole are São Paulo, Campinas, Baixada Santista, and Vale do Paraíba/Litoral Norte. Within these regions sit the so-called urban agglomerations of Sorocaba, Jundiaí, and Piracicaba as well as the micro regions of Bragança Paulista and São Roque. The population of the entire metropolitan megaregion is just over 50 million inhabitants, 26% of the total Brazilian population.

In essence, the designation of the Macrometrópole Paulista brings together all of the stakeholders within the state to focus on unified programs affecting urban areas. The goal is to promote the integration of projects and improve the legal–institutional framework for public policies for the state of São Paulo. It also facilitates the planning basis and framework, the elaboration of projects, and the promotion of intersectorial and technical cooperation among public and private key stakeholders at the metropolitan megaregional level.

### **Metropolitan planning: new legal structures**

As noted above, the draft law organizing the metropolitan region of São Paulo was presented to the state parliament in May 2005 and was eventually approved in June 2011

under the leadership of the new governor. It was approved unanimously, reflecting a consensus on the need for some form of metropolitan governance for the region. The law provides for a metropolitan agency, a development fund, a development council, thematic chambers, and consultative councils for support. This structure has emerged from a process whereby areas with some sort of existing historical municipal organization are being refined into a smoother structure. The main idea for the Secretary of Metropolitan Development and Empresa is to act as catalysts for public policies, programs, and projects at the regional level. While not the regional implementing or coordinating body, Empresa is the research, policy generating, and direction formulating entity for this vast and complex region.

The Secretary for Metropolitan Development (with the support of Empresa) integrates a state system through the Metropolitan Region of São Paulo (MRSP) for metropolitan development, with the objective of coordinating and articulating metropolitan planning and public policies and monitoring actions of metropolitan impact. Under this system sits the Metropolitan Development Chamber under the presidency of the governor himself. This board has the Metropolitan Development Secretary as executive secretary and integrates ten more secretaries of state: finance, environment, planning and regional development, sanitation and hydro resources, transportation, economic development, logistics and transports, housing, and internal affairs (Casa Civil).

The metropolitan agency is still being created as of this writing. In the interim, Empresa is playing this role. One of the main roles of the new agency will be to manage the metropolitan development fund, which is empowered to capture grant resources and credit operations for plans, programs, and projects for the metropolitan area.

The development council is composed of public and private organizations, thereby integrating the business community with the state and municipalities. It has the task of

identifying policies and projects of common interest for the metropolitan region on the following subjects: (1) planning and land use; (2) transportation and roads; (3) housing; (4) sanitation; (5) environment; (6) economic development; (7) social welfare; and (8) sports and leisure.

The development council can propose both short- and longer-term thematic chambers on specific subjects, programs, or projects. Currently, in the metropolitan area of São Paulo, two thematic chambers are functioning: transport (logistics) and airport. The transport issue arose because of a restrictive policy of the Municipality of São Paulo on the circulation of trucks during the daytime, which was affecting the neighboring municipalities. The chamber is now working on finalizing a brief diagnostic to understand how production and logistics work in the region and how those restrictions/regulations might impact the regional economy. The aim is to design a consensual and integrated policy for logistics, and Empresa is leveraging funding to develop a comprehensive diagnostic and plan for transportation and logistics at the metropolitan level. A similar process is occurring in the thematic chamber on the need for a third airport for the region. Empresa is helping to identify the needs, elaborate a brief diagnostic, and work toward a common agenda through the thematic chamber.

The consultative councils are organized around sub regions and are composed of representatives of the legislative and civil society. These groups can elaborate proposals for the government, issue opinions on metropolitan and common matters under request from the development council, and present concrete proposals for the deliberation of the development council if supported by at least 0.5% of electors in the sub region.

### **Housing and water: the true tests of regionalism for São Paulo**

While these recent developments are encouraging, regionalism remains slow and halting in São Paulo because the city is so large and consequential, authority is diffuse, and issues

such as water and housing don't align along an easily identifiable geography. Because of this, these two fundamental issues—housing and water—seem ripe for management using the emerging regional approach. Both of these issues are central to the national and regional economies and are fundamental to the lives of São Paulo's residents, irrespective of their municipal location (inner city or suburban, unauthorized settlements, etc.). Currently, 12.4 million people or 3.2 million households across Brazil live in informal settlements, with a deficit backlog of approximately six million houses and increasing housing needs due to the country's demographic growth. Inequalities in urban areas remain large; the average monthly income for a resident of an informal settlement in Brazil in 1999–2001 was approximately US \$180, while in formal areas, it was US \$355. Regarding education, the percentage of the population over 25 years old that completed high school in informal settlements was 18%, in contrast to 32% in formal urban areas. So among the most pressing issues São Paulo faces is the challenge of improving its infrastructure and services, providing low-income housing to overcome the spread of precarious and informal settlements, and addressing future demographic needs. To achieve these goals, it must harness the benefits of both its emerging regional governance framework and the growing efforts to address these issues at the national level.

***National-level housing policies as the template for regional action***

After 20 years without a national housing policy and only scattered efforts and pilot programs, in 2007, the national government launched the Growth Acceleration Program targeted at upgrading informal settlements. This program forms the cornerstone of the national government's broader economic development efforts. This program represented a leap in government policy and programs, from the existing isolated informal settlement upgrading programs to an approach based on larger national investments, scaling up significantly housing upgrading investments in the country. In particular, the program

consolidated inefficient and ineffective national funding schemes to focus public and private investment on existing precarious settlements in urban areas. The federal government made budgetary allocations of US \$13.1 billion in upgrading informal settlements, sanitation, and housing construction projects in the period 2007–2010, and it has forecast investments of approximately US \$17.9 billion for the period 2011–2014.

In 2009, the government launched a major subsidies program called “Minha Casa, Minha Vida” (My House, My Life) to improve the supply of new low-income housing and to address the increasing housing needs in the country. While the informal settlement upgrading programs occur under a major national economic growth strategy designed to deal with deteriorated urban areas, the “My House, My Life” program was launched in 2009 as a countercyclical program in response to the international financial crisis. The idea was to promote rapid construction of houses to improve employment rates while also addressing a clear social need for the country. This program had an initial target of building one million houses, later expanded to three million by 2014.

A very progressive legislative framework, the City Statute, underpins this policy reform. This framework for the first time recognized the right to the city for poor residents. This statute was already in place, having been implemented in 2001. The notion was to coordinate social housing, land regularization, and economic development through a combined governance approach that improved housing as a means to generate new wealth in the informal settlements. This new approach for economic development was pioneered based on a combination of concepts that considers (1) the right of the poor to the city and to access land; (2) the economic return of investments in low-income housing, both in the form of economic growth and wealth creation in the short term and broader economic development for lower-income segments of the population in the long term; and (3) the

need to promote long-term social development and the effective integration of low-income territories into the city tissue and dynamics.

In essence, the program took the progressive approach that informal settlements were not to be seen as liability but as assets. In other words, it was better to improve and transform the places people already live than to try to move and resettle them. This approach also built on a number of other important institutional efforts, including:

- The creation of the national Ministry for Cities in 2003 to deal with housing, sanitation, transportation, and urban planning from a federal perspective, considering that all these issues are municipal and state attributions; and
- the public debates on and launching of the National Housing Plan 2006–2008, which includes projections for housing needs to 2023 with a typology of subsidies with targets.

Combined, these institutional changes marked the beginning of an era, where informal settlement upgrading and low-income housing are finally receiving high-level investment from the federal government as well as agreement from local governments to implement the projects and put aside matching funds.

The economic results of upgrading informal settlements have been positive:

- **An increase in Brazil's GDP**—In recent years, the civil construction sector has contributed increasingly to national GDP; in 2010 it represented 5.3%.
- **Employment generation**—3.5 million formal workers employed in 2012.
- **Expansion of housing finance markets**—the share of GDP increased from 1.6% in 2003 to 6% in 2012.

It is important to highlight that this happened in the context of the overall expansion of domestic markets; in the last ten years, 15 million Brazilians moved from below the poverty line due to a combination of economic stabilization and social inclusion programs

implemented on a large scale since the end of last century. Nonetheless, the contribution of the housing sector to this national growth is important to recognize and also needs to be considered as a factor in regional development.

### ***São Paulo uses the regional platform for slum upgrading***

These major efforts at the national level were significant on leveraging local budgetary resources for housing policies such as upgrading informal settlements and also stimulating the planning process in the sector. For example, in the State of São Paulo, a joint venture program for housing and sanitation at the Guarapiranda and Billings water-source complexes has been implemented, involving several municipalities and the state and leveraging not only local resources but also external resources, for example, an important loan from the World Bank.

Another example of an informal settlement upgrading program being implemented in São Paulo is shown in the photos below. These upgrading projects have as the main guideline the goal of maximizing existing houses and implementing water and sanitation systems, drainage, roads, electricity, and public service facilities such as schools, day cares, health units, and leisure areas.

An important component of an informal settlement upgrading project is the social support for the beneficiaries. Support for these initiatives is provided by both the municipality and the state. The main priorities are to (1) strengthen community organizations; (2) leverage community participation from the planning and design phase throughout the execution phase, and in the post-occupation phase; and (3) promote the social and economic integration of the area into the city. A high level of investment from the federal level goes toward the social component (2.5% of the total project cost), and there is a



mechanism to interrupt construction works if there is any delay in the social support activities.

So São Paulo is increasingly looking at ways to employ a bottom-up approach, a trend also seen in Lagos. São Paulo's regional councils are acting for the people below, breaking down legal barriers related to recognizing the right of the poor to the city and improving their life conditions in effective ways. For São Paulo, informal settlements are still a priority, with the challenge being to promote long-term social and economic development and to assure residents that those resources are being invested in a sustainable way. This task will require integrated actions from the three levels of government, civil society, and the private sector. While there are already interesting programs in place, the challenge is how to scale up those experiences and keep them

running in the long term, to improve planning, and to take the opportunity offered by the robust economy to ensure a sustainable, stable pace of growth.

**Figure SP1: images from Paraisópolis slum in São Paulo, before and after upgrading**

[Source: Municipal Housing Secretary]





These dramatic reforms illustrate the regional metropolitan development implementation using the MRSP as the coordinating vehicle. It is unlikely such programs could be undertaken without a structure larger than the small- and medium-sized governmental entities that govern the smaller urban areas surrounding São Paulo. In essence, the city of São Paulo has to work with the nearby governments or be overwhelmed by challenges such as unemployment and poverty that accompany a burgeoning population.

**Next steps at the national level: protecting informal settlements from development**

With the support of the World Bank, the federal government is now working on a new regulatory framework on involuntary resettlement for construction and infrastructure works, funded with resources from the Ministry of Cities. The proposed framework is currently available for public consultation. The concept behind this new regulation is the need to implement urban infrastructure to maintain the pace of national economic growth. At the same time, however, it is recognized that the implementation of large-scale

infrastructure investments will certainly create the need for relocation of socially vulnerable families and communities.

An international workshop took place in March 2012, where international stakeholders from India, Colombia, and South Africa as well as World Bank experts met with national key stakeholders such as local governments, authorities, and civil society representatives. The parties debated the need to improve regulation from the national government perspective and to structure and consolidate a national policy on resettlement.

This draft regulation foresees the need for compensation for formal and informal tenants, based on the physical condition of the house and the right of tenure, even without formal property titles. The affected families would be compensated for:

- investments in existing housing structures;
- land, in cases of formal ownership or for cases where the national law recognizes the right of tenure (according to the City Statute, in urban areas for dwellers living over five years in the same location);
- rent (both formal and informal situations); and
- business (both formal and informal).

The compensation for housing can be in kind or fiduciary or be a combination of both. In the cases of in-kind compensation, proximity should be guaranteed to keep existing social and economic networks.

The regulation also establishes high parameters for planning, community participation, and monitoring. Affected families must be consulted and informed about the planned physical interventions, about their rights, and about alternatives of resettlement and compensation. The participation can happen at the individual or collective levels, but priority should be given to collective negotiations. A strong emphasis is also given to conflict mediation and social support. Communities must receive adequate social support

to (1) strengthen community organizations and social capital; (2) promote social and economic development, and (3) build capacity for property management and maintenance.

The main idea of this regulation is to incorporate community participation into the resettlement process, so that affected families have a full understanding of the reasons for relocation and the alternatives and consequences, to mitigate negative impacts generated. If passed, this regulation will advance the recognition of the rights of slum dwellers within a broader national-level program to implement infrastructure and improve existing slums. This approach will promote sustainable resettlements if slums are in the way of new infrastructure development for the city (transportation lines, new roads, etc.).

### **Water a regional challenge for housing and community development**

Linked to slum upgrading is the need for fresh, clean water, which is also critical to economic development. For São Paulo, the issue is not just water but water management. São Paulo is undertaking a massive program to manage regional water systems to provide safe, potable water for the region's population. To begin with, the existing mishmash of water organizations and agencies that use different standards have to be reorganized and harmonized. Furthermore, all of the underlying water bodies have to be upgraded in management and equipment so they can find and pump water to end users that meet a regional quality standard. The World Bank is partnering with the Metropolitan Region of São Paulo (MRSP) to do three things: first, to protect and enhance the quality of regional water resources; second, to improve the lives of poor populations who reside in targeted river basins and do not have access to regular potable water at home; and third, to strengthen institutional capacity and support better land use policies and other urban service improvements that reduce water waste and improve sanitation. This is an ambitious program because to achieve these goals, strong measures will be required

across the region for integrated land use and settlement policies that protect natural water supplies and systems. It is also dovetailed with the upgrading of informal housing discussed above, to improve the delivery of water to regularized settlements with indoor plumbing and sewage.

On a larger scale, the challenge will be to use this regional water management regime to meet other environmental targets such as reforestation and the restoration of sensitive natural habitats while also creating a convergence with sustainable slum upgrading programs. Keeping most built structures and families in the same place is challenging since many slums or “favelas” and irregular settlements are in the path of waterways and are located near potential reservoirs. Carrying out this agenda is fraught with problems, from the haphazard nature of informal settlements, tenure, and physical challenges for upgrading, to the scale of waste management, roads, and related infrastructure that will be required to reach this lofty ambition.

### **Conclusions and lessons**

Everything is big and complex in Brazil. São Paulo is illustrative of how difficult this size and complexity makes it move an agenda forward. Nonetheless, both national and state leadership have come to recognize the importance of developing a new arena for urban management—the region. Regions are becoming administrative apparatuses in Brazil that act as collection baskets for federal, state, and local resources to focus on problems and develop solutions. São Paulo’s approach to regionalism and underlying problems like housing are tied together. In other words, this approach is a problem-based focus that manifests itself in a geographic format. As the nation grows, the regional metropolitan format is becoming increasingly appropriate as the jurisdiction for delivering increased economic productivity and dealing with social liabilities. This is a pragmatic regionalism,

as opposed to the most idealistic regionalism seen in North America, Europe, and Australia.

Even pragmatism requires leadership. By engaging directly with the regional problem-solving forums composed of business and government, the governor has proved the generator of energy required to deal with São Paulo's myriad problems. But at the same time, the needs come from the bottom, as does much of the implementation, particularly in housing and informal settlement revitalization.

What we can learn from this is:

1. National policy frameworks that recognize metropolitan regional systems are essential for such systems to function coherently. Brazil now is debating a legislative framework at the national level to guide the regionalization process, which provides some metropolitan capacity but lacks federal authority. The State of São Paulo as well as the State of Minas Gerais are pioneers in establishing their platforms for metropolitan management.
2. All eggs sometimes should go into one basket. Brazil's regional framework put all agencies dealing with metropolitan problems under a common umbrella for agenda setting, program design, and funding. The agencies are not tied together operationally, but many of the cross-jurisdictional issues are reduced or eliminated by having a coordinating body that can control and direct resources at the regional level. It does not have to manage an administrative institution, but it does have to guide them all in the selected agenda areas like infrastructure and housing, with better links to economic development.
3. Being global is not necessarily the immediate goal for large developing metro regions, but solving globally recognized issues will attract increased international investment.

New investment in social and commercial sectors increases overall wealth and generates global visibility.

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Edward J Balakely & Laura Crommelin, Managing Editors

The Dragon's Head: Global economic development in Shanghai



<b>Topic</b>	<b>Indicator</b>	<b>Data</b>	<b>Source</b>
<b>Residents</b>	<i>City, 2000</i>	N/A	N/A
	<i>City, 2010</i>	N/A	N/A
	<i>Metro, 2000</i>	1,640,770	National Bureau of Statistics of China
	<i>Metro, 2010</i>	23,019,148	National Bureau of Statistics of China
<b>Employment</b>	<i>Metro, 2000</i>	8,415,600	Shanghai Municipal Statistics Bureau, 2010
	<i>Metro, 2010</i>	12,792,200	Shanghai Municipal Statistics Bureau, 2010
<b>GDP</b>	<i>Regional GDP Per Capita, 2010</i>	\$11,809	Shanghai Municipal Statistics Bureau
	<i>National GDP Per Capita (USD), 2010</i>	\$4,433	The World Bank
<b>Surface Area</b>	<i>City (sq. km, excluding water area)</i>	N/A	N/A
	<i>Metro (sq. km, excluding water area)</i>	6,341	Shanghai Municipal Statistics Bureau
<b>Government</b>	<i>Number of Jurisdictions in Metro</i>	17 districts/county	Shanghai Municipal Government
	<i>Presence of Overall Metropolitan Government</i>	Yes, Shanghai Municipal Government	

## **Introduction**

The road from Maoist socialism to state-run capitalism in China was never going to be an entirely smooth one, with many forces and faces shaping this transition. Unlike other socialist states that opened their economies across virtually all sectors at once, creating almost immediate winners and losers in what might be labeled “economic Darwinism,” China elected to use a more experimental and incremental approach. This involved designating selected locations as “development zones” in which capitalism could be introduced and regulated by the central state without invading the entire national apparatus. The central state monitored this process but provided sufficient openness to allow new enterprises with Western flavors to arise. These trial “open economic zones” are the seeds from which much of the current mix of state and private enterprise has arisen in China, including in Shanghai.

However, Shanghai’s Western-oriented global openness as a region predated the country’s transition to capitalism. Shanghai has long played a historic role as China’s eyes on the West, and its location at the head of the great Yangtze River system has made it—like Chicago—a natural regional food and exchange location. In essence, Shanghai has been a global and regional city in most respects since its transformation from a sleepy agri-industrial town into a thriving social and physical port following the nineteenth-century “Opium Wars.” It became at that time the European *entrepôt* of China, and the newcomers soon carved up the city into enclaves. There were Russian, French, German, English, and other minor European settlements complete with housing, restaurants, and social clubs mimicking their national origins. In the early twentieth century, poets, writers, and entrepreneurs of unsavory backgrounds plied their trades in Shanghai so openly that words in the English language like “being *Shanghaied*” took on extra-lexical meanings. This long-standing mix of “Westernness” with the city’s Eastern origins is part

of the charm of Shanghai, giving it an air of mystery and social intrigue that few places on the planet enjoy.

Beyond this significant cultural role, Shanghai also became the entry point for global capital to China and was by far the most recognized Asian city for finance before World War II. In the 1930s, Shanghai was dubbed “Paris in the Far East.” Shanghai was the place where Asian deals were made. Persian, Indian, and other Asian influences grew to be as deep in Shanghai as Western and Chinese influences. Shanghai’s waterfront, known as the Bund, is a mispronunciation of the Hindi term for a seaside embarkation point. As early as the twentieth century, Shanghai was well established as the head of the “dragon” for most international goods and money flowing into China. When the Japanese took Shanghai in 1937, China lost its global financial center and an important link to the West. Hong Kong, under the British mandate, rose to fill the void. But the spirit of and a keen interest in the restoration of Shanghai to its rightful place as a finance and trade center was resurrected when China reopened its doors to the West. It is this tale that is central to the reemergence of global regionalism in Shanghai.

### **Context**

Vogel and his colleagues summarize China’s march to regional economics, noting that the “global city is the product of a ‘state-centred political, bureaucratic’ process, which is the developmental state, rather than a ‘market-centred’ process typical of the West.”<sup>80</sup> In essence, China evolved to the current regionalism by both reactive steps and proactive design. To begin with, China’s governance structure generated both vertical and horizontal fragmentation for regional development in the precapitalism era. The development zones like the Shanghai region were little more than lines on maps that coincided with previous demarcation zones for administration, which in most cases reflected early Soviet state planning ones. Control of these administrative zones was

carved up among numerous state agencies. For example, the Ministry of Railways maintained its hegemony over rail transport for each province and any subzones, and the same is true for other special purpose agencies like the Ministry of Transport. Some central bureaucracies such as the Ministry of Construction saw the need early on to coordinate at regional and subregional levels to carry out their mandate to build urban centers. Similarly, the Ministry of Land and Resources had to function on local and regional scales.

As development heated up in the 1990s in the designated development zones, local governments were encouraged to become entrepreneurial. Big local governments were immediately faced with land and resource requirements beyond their traditional jurisdictions for new airports, seaports, and tech parks. Regional economic development patterns did not adhere to the demarcation of administrative borders. While horizontal coordination among jurisdictions had not been seen as valuable or useful in the precapitalism era, it became essential as markets opened.

The degree of local development was certainly astounding. Numerous cities developed their airports and industrial centers with little or no coordination at a regional level. This autonomy came to a head in the Yangtze River region, where Shanghai sits, when several cities in the region developed airports with domestic and international routes, undercutting the central air traffic system. While many forms of local competition were

desirable, such as new high-tech parks and other industrial attractions, having multiple pieces of large-scale infrastructure like airports was wasteful and could not continue.

As a result, the National Development and Reform Commission was formed in 2007 to coordinate development activities of the economic zones and to manage the shift from rural to urban populations. Their mandate is broad:

To formulate and implement strategies of national economic and social development, annual plans, medium and long-term development plans; to coordinate economic and social development; to carry out research and analysis on domestic and international economic situation; to put forward targets and policies concerning the development of the national economy, the regulation of the overall price level and the optimization of major economic structures, and to make recommendations on the employment of various economic instruments and policies; to submit the plan for national economic and social development to the National People's Congress on behalf of the State Council.<sup>81</sup>

An organization at the top of the bureaucratic ladder was the only possible device to handle the need to concentrate power but at the same time to stimulate and facilitate coordinated metropolitan development on a scale larger than the cities themselves. In many respects, the notion of a city-state was already a component of China's political framework, with the Shanghai, Beijing, Tianjin, and Chongqing area secretaries as members of the Political Bureau of the Central Committee of the Communist Party of China (24 members in total). All of these metropolitan areas are cities at a provincial level. As a result, the city-province strategy is directly controlled in these places by the national government, and its final approval authority rests with the state council. This

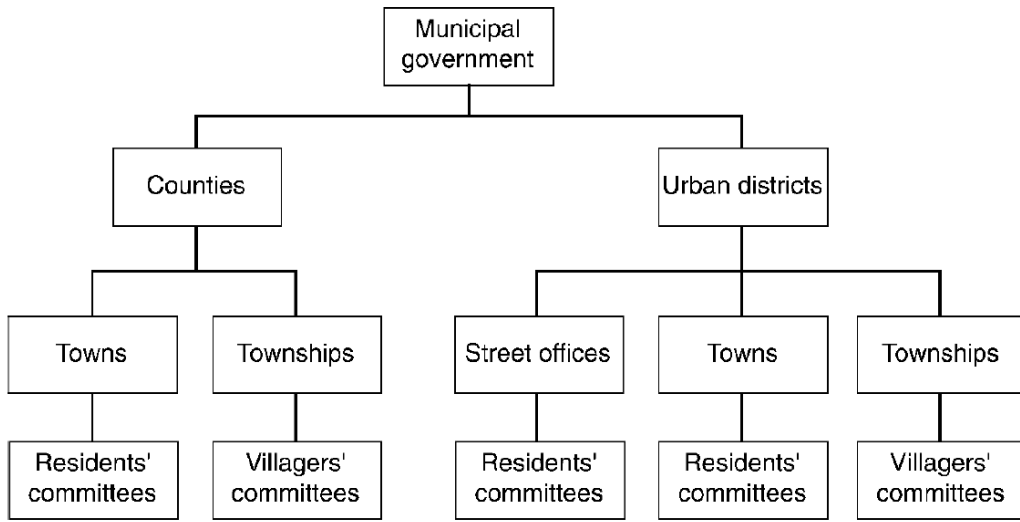
governance mechanism guarantees the effective implementation of the central government's regional development strategy.

### **Defining region**

Shanghai city comprises a jurisdiction of over 23 million inhabitants and is the central node for China's inward investment strategy. As noted, Shanghai is a city at the provincial level and not merely a city in itself. A provincial status means that the city's role is the same as that of a province, unlike the American and Australian approaches with separate governments for each level. The central mayor of Shanghai presides over the entire bureaucratic apparatus, with sub mayors for districts and centers that both compete internally and share resources horizontally. In 1983, Shanghai city was unfolded as 1+9, that is, one megacity with nine subordinate cities to form the city-province of Shanghai. This approach was subsequently expanded to 1+14, and in 2008, became the current 1+16. As indicated in Figure S1 below, the Shanghai municipal government controls all subsidiary governments in a hierarchical structure. The Shanghai municipal government is itself under the direct control of the central government. Essentially, the state council made Shanghai a global city by administrative fiat. This evolution in the size and capacity of the city-province—Global Shanghai—was part of China's adaptation to the notion of competitive global regions. While Shanghai looks outward, at the time of this release there

are rising internal and external challenges making China a world bully rather than a global leader.

**Figure SH1: Shanghai municipal government [Source: Shanghai Metropolitan Government]**



Thus, the larger governance format of a single dominant mayor with 16 lower-scale mayors in a new global metropolis became the preferred mode of Chinese global urbanism.

Looking beyond Global Shanghai itself, the state council also designated the broader regional players including Shanghai in the Yangtze River Region, Beijing-Tianjin in the Bohai Bay Region, and Hong Kong-Guangzhou-Foshan in the Pearl River Global Region. China's Beijing leadership, during the lead-up to the 2010 World Expo, held a series of international meetings in 2005 to which author Richard Hu was a party. At these meetings, the national leadership picked up on the notion of crafting three megaregions: Hong Kong-Guangzhou (technology trade), Beijing-Tianjin (government/manufacturing) and Shanghai (finance/trade). Each of these areas was strategically planned at the national level with specific industrial sector targets set out in



five-year plans. So in China, global regionalism was borrowed conceptually from the West and applied top-down.

But that does not mean there were no bottom-up roles. Each region is empowered to develop regional master plans consistent with the strategic objectives. Also, cities within the hierarchy develop and manage their lands and other resources to meet the national targets as well as their internally generated economic and social goals.

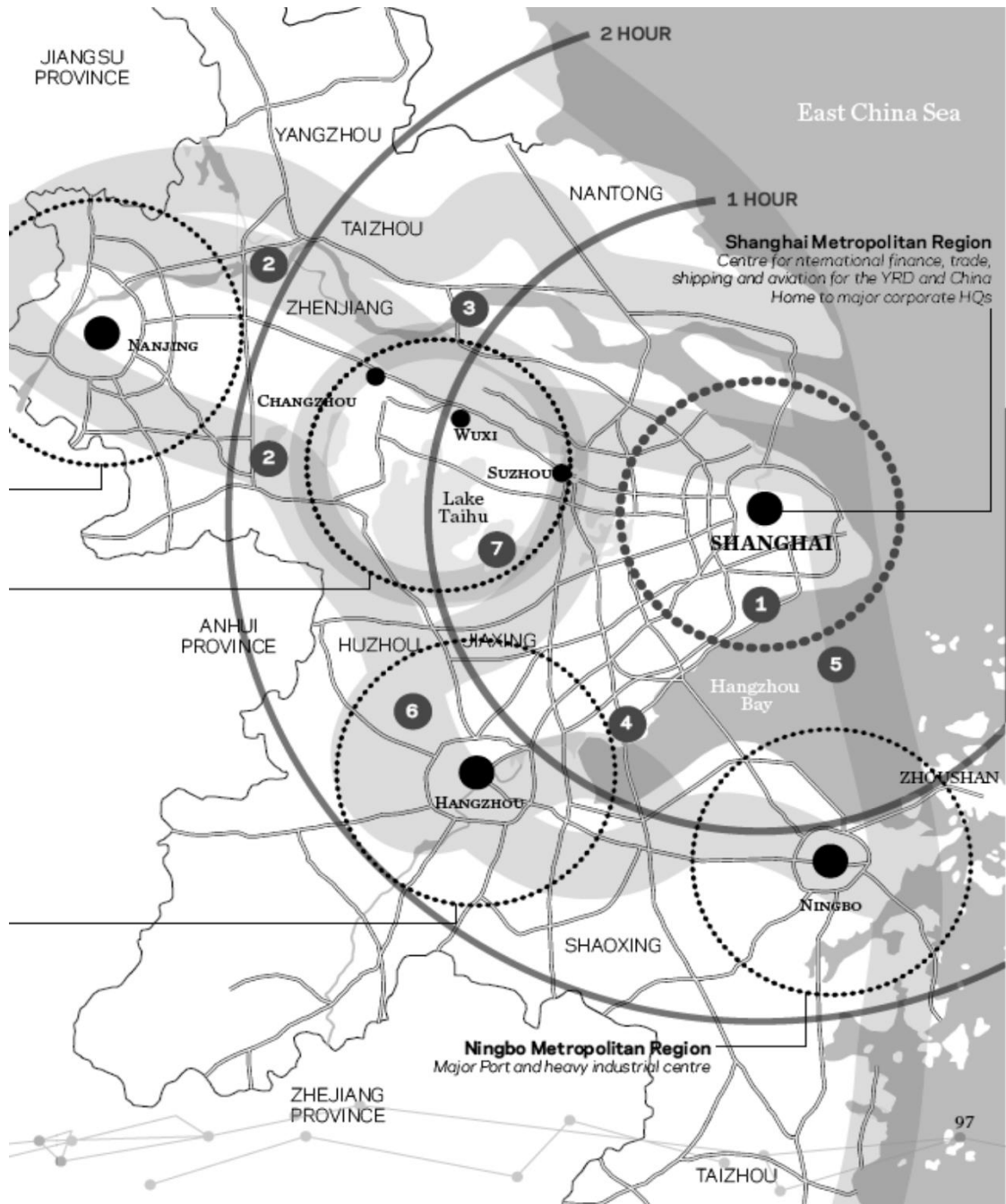
In line with this regional strategy, the idea was to position Global Shanghai as the head of a global megaregion composed of international metropolitan interconnected areas, very much on the theme of RPA's America 2050 planning program. The key metropolitan areas that make up the broader Shanghai megaregion are:

1. **Nanjing Metropolitan Region:** Capital of Jiangsu Province, “the City of Culture,” positioned as an education and technology enter.
2. **Hangzhou Metropolitan Region:** Capital of Zhejiang Province, known for history and environment, positioned as a tourism and service center.
3. **Shanghai Metropolitan Region:** Centre for international finance, trade, shipping, and aviation for the Yangtze River Delta and China. Home to major international corporate headquarters.
4. **Suzhou–Wuxi–Changzhou Metropolitan Region:** Manufacturing and logistics center. Suzhou performs auxiliary urban functions and industrial distribution for Shanghai. Wuxi is a designated investment garden city for new manufacturing

industries. Changzhou is building a modern logistics base for Shanghai international shipping.

5. **Ningbo Metropolitan Region:** The major international port and logistics hub for the region. The map below shows this interlocking system of metropolises, each of which has a discrete role to play in China's global marketing campaign for Global Shanghai.

**Figure SH2: Metropolitan regions [Source: Shanghai Metropolitan Government]**



In the multiplex of regions, Global Shanghai can be viewed as the Dragon's Head for China's national economy. There is little doubt that efforts like the Shanghai Expo in

2010, which emphasized better cosmopolitan living, are designed to send a clear message that the Shanghai region has been being reestablished as the doorway to China.

Global Shanghai is massive. The 15 district mayors and one metropolitan executive mayor are assisted by sub district mayors and deputy mayors for various specialty functions like economic development, culture and education, and environmental protection. In many respects, Shanghai differs little from North American regional capitals like New York, with nearly 500 jurisdictions, or like San Francisco, with over 70 separate local jurisdictional authorities. In a similar fashion to their American counterparts, Shanghai's local mayors have some degree of autonomy and compete openly for economic supremacy. Competition among the mayors is viewed as a good thing, to increase international investment and productivity. Economic development is a key performance indicator for local leaders' promotion. Central state controls are also designed to push regions to perform well in their areas of greatest strength, following the dictum of Michael Porter's famous book, *Competitive Advantage of Nations*.<sup>82</sup>

Shanghai's niche in the national scheme is to return to its past role as the national financial and trade center. This direction reflects the increasingly stronger manufacturing bases in

Guangzhou and Tianjin, while Shanghai has experienced sharp declines in heavy industrial sectors (see Table S1 below).

**Table SH1: Shanghai’s economic transformation [Source: Shanghai Metropolitan Government]**

	1990		1995		2000	
	GDP	Empl	GDP	Empl	GDP	Empl
<b>Primary</b>	2.5	9.8	1.8	10.8	1.7	11.6
<b>Secondary</b>	57.3	54.5	47.6	44.3	47.6	41.2
<b>Tertiary sector</b>	40.2	35.7	50.6	44.9	50.7	47.2
<b>Total</b>		100		100		100

So it became apparent to the state council and its ministerial National Development and Reform Commission that Shanghai’s future lay in reestablishing its past. The road to accomplishing this was not just through the government’s wishful thinking but through strategic investments and reconnecting public and private enterprises into a collective engine for the revitalization of the port metropolis.

**Regional institution building: reemergence of the Dragon’s Head**

A global city of 13+ million has challenges in simply managing the territory. In the case of Shanghai, the mandate to become global meant that it had to reestablish a Western global face. Old Shanghai has plenty of charm, but it is too traditionally settled, with winding roads and disconnected streets with heritage buildings throughout the core. A new venue had to be found to move the city into the future. Fortunately, just east of the old city, across the Huangpu River, lies the area of Pudong, formerly one of Shanghai’s rice bowls. Largely undeveloped, Pudong was marshy with poor soil, making it only marginally productive for agriculture. In the early 1990s, the central leader Deng

Xiaoping found this tract of land irresistible for his pro-development vision. Under his direction, the Shanghai leaders commenced the transformation of Pudong from a rural–urban annex to a gleaming, futuristic city within the city. Pudong is now a mega development of enormous scale. Shanghai’s leadership was aided by the fact that national authority was delegated to the city level, providing an opportunity to use innovative land leasing to spur commercial and high-tech developments. In Pudong, this meant the creation of a new airport, a high-speed magnet levitation rail, and modern Euro-American–inspired office towers and hotels.

**Figure SH3: Shanghai Pudong [Source: Isuzu Neelagama]**



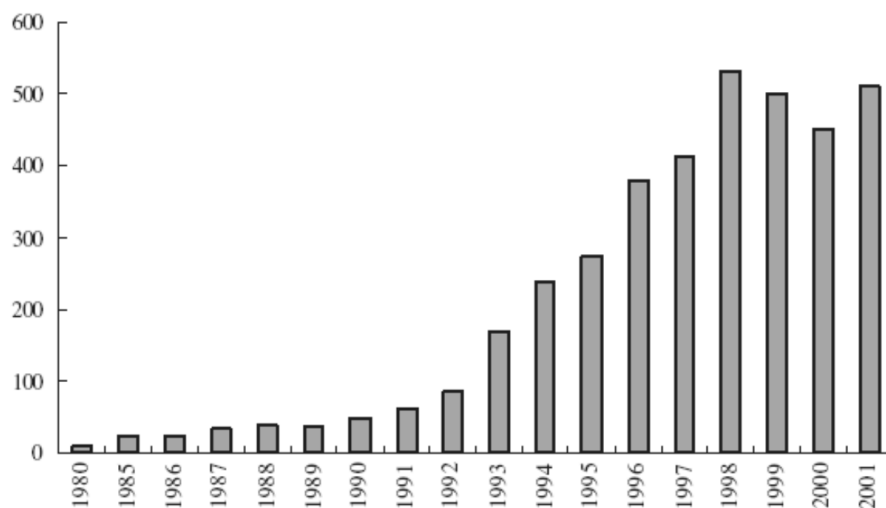
Pudong’s rise was also catalyzed by the creation of the Pudong Development Corporation (PDC), a body that could both provide infrastructure financing and internalize expenditures. The model for the PDC was much like US tax increment financing, ceding to a development corporation the development rights outside most bureaucratic controls. Inventive public–private entrepreneurship became the byword in Pudong. As Walcott and Pannell explain, this approach

...creates “virtual capital circulation”, thus allowing land-use rights to be transferred. Development corporations receive the land, while no further expenditure is incurred to

the municipal finance. This is a distinctive feature of the real estate development in Pudong (later imitated by other municipalities). Of course these corporations, each with billions of “registered capital”, must find banks to get real capital to organize and construction work...<sup>83</sup>

Following Pudong’s success, this form of development corporation was imitated by nearby jurisdictions as well as within other parts of the central city of Shanghai, to attract foreign investment and international know-how. The results of this inflow, seen in Figure SH4, are impressive.

**Figure SH4: Urban infrastructure investment [Source: Shanghai Statistical Yearbook 2001]**



As a direct result of this investment, Shanghai catapulted itself back into the international limelight. Pudong’s success and the flow of effects for the region were well managed by the city’s government, which minimized leapfrog and scatter developments and ensured a more orderly pace of land development and accompanying road and infrastructure construction.<sup>84</sup> But the pace of automobile deployment has now outstripped road construction, making trips around the city slow and painful. Modern subways and other transport options are being added along with bridges and other infrastructure, but the

geography of Shanghai makes such development costly, with only marginal improvements for the traveling public.

### **Regional direction**

Lines between public and private sectors are blurred in China. Initially, large state-owned enterprises were privatized, moving them from the public to the private sphere overnight. In some cases, the new management sought external know-how and funding to operate the transformed entity. In other cases, the state-owned enterprise simply sold off its rights, for example, bus companies selling maintenance depots for new housing developments. In other cases, the local municipal governments gained control of these assets and reused them to create value, for examples, by developing airports and waterworks. So state entrepreneurship became a hallmark in places like Shanghai, with former or current government officials engaged directly in entrepreneurial activity.

Shanghai's global capital and cosmopolitan lineage meant there were wealthy business actors in place who could reengage their existing global networks. Public-private partnerships operated at every level from official regional projects to street offices where local community residents entered into compacts with local and international organizations to operate stores and build apartments and other local amenities. In the absence of a formal business class, this quasi-business engagement structure meant there were few solely governmental projects with no local business involvement. Banking and other areas of finance also required public-private collaborations, as did the westernization of the hospitality industry and similar west-facing business areas.<sup>85</sup> The



secret of globalization, in this case, was using local resources to capitalize the infrastructure required to rejoin the global marketplace.

### **People power**

So what has all this development meant for the locals? One noticeable change is that street office, which overlap local Party- and community-based organizations, have matured into legally recognized institutions. Street offices are administrative agencies at the grassroots level. They offer direct outreach and engagement with the community for effective governance and control. Most community issues, including welfare distribution, complaints, and family and neighborhood conflicts, can be addressed at this level. These agencies do social good works in their communities for groups like seniors and youth and perform other socially useful activities. This arrangement can guarantee the Party's direct control at the lowest level. On the other hand, street offices can facilitate or block real estate developments in their designated areas. Street offices thus are quasi-business improvement districts that operate within government mandates but have leverage through the Party apparatus to mold activities within their communities.

Many street offices are entrepreneurial in extracting benefits from new development as well as engaging in it. Alongside street offices are resident committees, a hangover from state-run housing, that is more local and parochial with direct Party links and infusions. These resident and community groups provide a "push back" for large-scale developments that might disrupt community life. Clearly, state rights are superior to local rights, but increasingly, street and resident groups are showing their muscle by demonstrating and gaining national and even international attention. Development has been so fast and furious in Shanghai and in nearby metropolises that community reaction

has increased. Loosening national controls gave locals more authority and consequently increased community accountability.

### **Future challenges**

There are immense challenges facing Global Shanghai. Transportation internally and externally is the most pressing. The Shanghai Harbour is the largest container port in the world, but it is silted up from the rivers that flow into it. So a new deeper port is under construction nearby in Hangzhou Bay, south of Shanghai. New port access requires new road and rail access, both of which are currently inadequate. This means massive investment is required to rationalize and improve waterway cargo transportation on the inland rivers bearing freight from Shanghai all the way to Beijing. The high-speed rail seems to provide a useful alternative, although its cost-benefit efficiency remains a question mark. Central city transport requires the addition of several new underground systems to carry the working population. Air quality is a serious threat to health because of the addition of so many new automobiles, buses, and motorbikes. In the case of Shanghai's municipal government, funds are being devoted to tree growing and pollution mitigations but without cooperation from surrounding metropolitan areas. Pollutants generated in these inland areas float over Shanghai, creating a nearly Scyphus situation where no matter how hard Shanghai tries, other places dump more problems onto the central metropolis. In essence, the system is so overwhelmed that Global Shanghai is in danger of losing its strategic edge in finance and headquarters to Hong Kong, Seoul, and Singapore.

Global Shanghai is central to China's national ambitions, so approaches to dealing with its international issues like ports and international transport will doubtless be solved. Local quality of life issues remains harder to guide from the center, so the tension between local ambitions and national requirements will continue. Local civic leaders

headquartered in Shanghai play an important role as external advocates for a better metro. Forces for growth need to be tempered by strategies for quality of life; if they are not, “the goose that is laying these golden eggs” might be overtaken by other serious players in Asia. This situation closely resembles the pre-opium wars era when Shanghai last lost its way.

### **Conclusions and lessons**

It is clear that Shanghai is a testament to the Chinese open-market approach. It has prospered beyond all expectations since it reopened to the world in the 1990s. But Shanghai has always had global “mojo.” It never entirely dropped off the global city radar, even when it was torn apart by war and was isolated from the international system. As a result, Shanghai was already the place in China that international organizations and agencies gravitated toward after World War Two to the extent possible. This role gave the city plenty of ready allies around the world when China eventually reopened to the West, and it meant that moving from being a city-state to a region-state was a relatively easy transition. Since the city was the key port and outlet for goods flowing down the Yangtze River, it controlled much of the hinterland already, much like Chicago. Shanghai’s reemergence as the Dragon’s Head is related to these factors but is also related to the city’s mayoral leadership using its position to advance the city–region concept in Beijing. As the notion of regional economics spread, the metamorphosis of the city–

region to the mega-global region came about as a result of Beijing recognizing the importance of such mega-global regions in driving the burgeoning national economy.

What we can learn from this is:

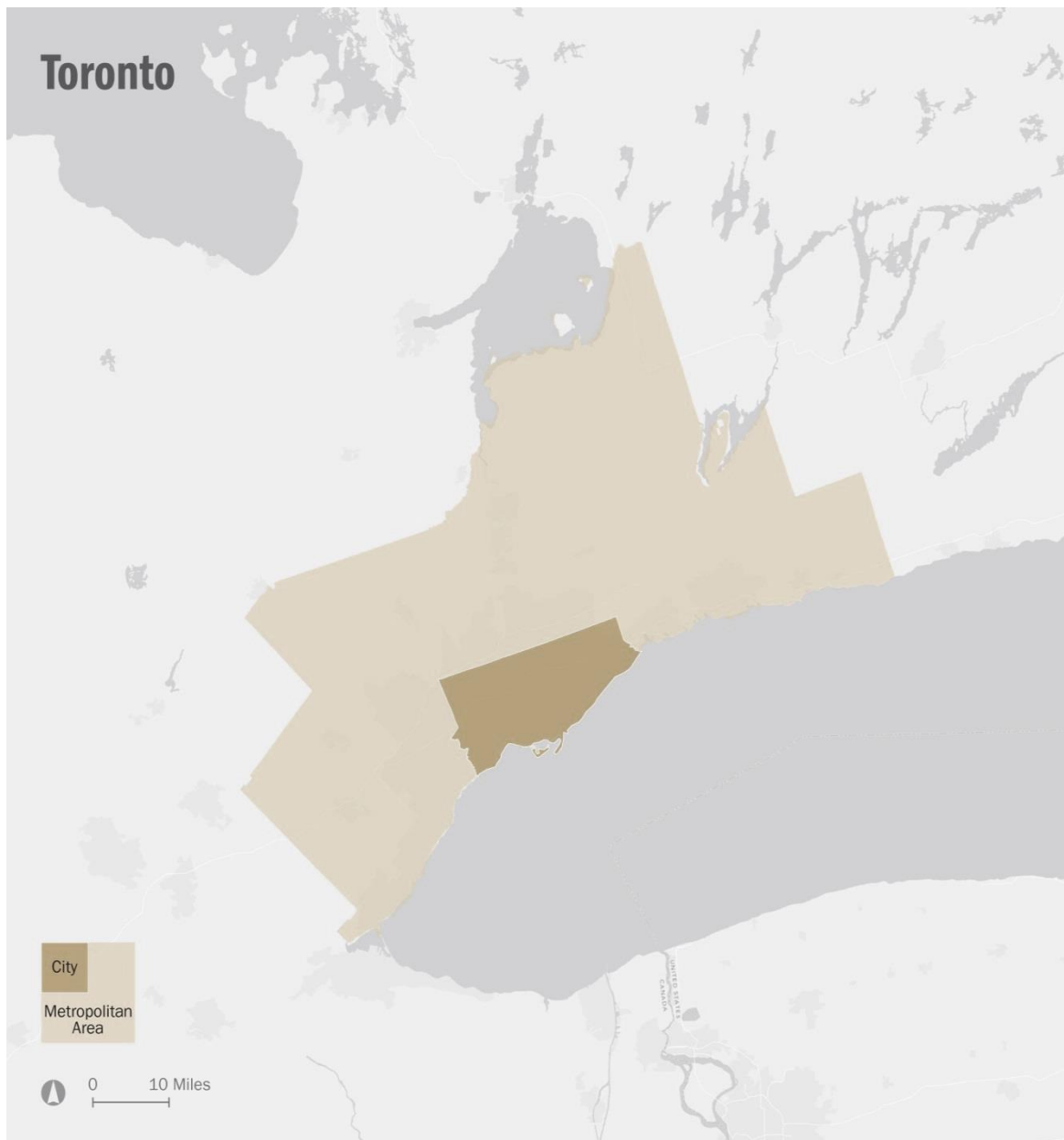
1. National leadership that stays in touch with global trends can drive regional economic development with strategic targets and not with heavy-handed state bureaucracies.
2. Form follows function in China. Beijing has not tried to use a rigid organizational template but instead has implemented a flexible system of governance with one executive mayor and five city mayors, moving eventually to 16 city mayors with an executive. This form allowed the underlying system to remain in place but moved the center of power, so Beijing could direct from one platform a cadre of cities and mayors, all of whom compete and collaborate to meet national goals.
3. Local leadership down to the street level needs to feel engaged as well as rewarded for facilitating national/regional objectives. Business at the lowest levels and the community have some say in the Shanghai regional system—not necessarily in what is done but in where it is done and who benefits from development. Allowing for participation, somewhat controlled, but open enough so city and community level leaders feel engaged and gain regarding civic amenity and local employment, makes globalism easier for communities to accept.
4. Building on the past to shape the future is a strong theme in the Shanghai example and a lesson for all global regions. It is much easier to inspire local leaders and gain confidence if the direction of development feels consistent with past “glories” of the place.
5. Moving too quickly generates problems that compound themselves, as Shanghai is increasingly illustrating. Shanghai has a massive backlog of infrastructure improvements required to catch up to its current outputs and has few resources to

Edward J Balakely & Laura Crommelin, Managing Editors

move it ahead to the next wave of globalization, based on high amenity and quality of life.

Shanghai is one of the most important places in the world, but it has to run twice as quickly to stay where it is. Many more resources and better internal governance systems, such as a regional transit authority, will have to be put in place before the Dragon's Head can reclaim its previously held title as the most captivating place on the planet.

## A natural region: Global-regional planning in Toronto



<b>Topic</b>	<b>Indicator</b>	<b>Data</b>	<b>Source</b>
<b>Residents</b>	<i>City, 2000</i>	2,481,494	Canada Census, 2001
	<i>City, 2010</i>	2,615,060	Canada Census, 2011
	<i>Metro, 2000</i>	4,235,756	Canada Census, 2001 for Greater Toronto Area
	<i>Metro, 2010</i>	6,054,191	Canada Census, 2011 for Greater Toronto Area
<b>Employment</b>	<i>Metro, 2000</i>	2,557,100	Canada Labor Force Survey Estimates, 2001 (Toronto Census Metropolitan Area)
	<i>Metro, 2010</i>	2,971,600	Canada Labor Force Survey Estimates, 2011 (Toronto Census Metropolitan Area)
<b>GDP</b>	<i>Regional GDP Per Capita, 2010</i>	\$43,900	Brookings Global Cities Initiatives, 2012
	<i>National GDP Per Capita (USD), 2010</i>	\$46,212	The World Bank
<b>Surface Area</b>	<i>City (sq. km, excluding water area)</i>	630	Canada Census, 2011
	<i>Metro (sq. km, excluding water area)</i>	7,202	Canada Census, 2011

<b>Government</b>	<i>Number of Jurisdictions in Metro</i>	25 local municipalities, including Toronto City and 24 surrounding municipalities in 4 regional regions	City of Toronto
	<i>Presence of Overall Metropolitan Government</i>	No	

## Introduction

As some of the stories in this book demonstrate, regionalism is often easier to achieve when varied interests can coalesce around a specific project or problem. Perhaps no shared regional challenge is more apparent than in Toronto, where two significant environmental assets—the waterfront and the green mountain moraine that rings the city to the north—are clearly visible to all. These formations cross jurisdictional borders and have repeatedly been under threat from the city’s growth patterns. As a result, they have frequently played significant roles in the fitful attempts Toronto has made to move toward regional governance and planning. Jane Jacobs no longer acts as civic leader and conscience for Toronto it is rebuilding its internal capacity as a world city at the time of this release while the mineral wealth of the nation contracts.

## Context

At the end of the last ice age, large residues of rock, dead wood, and other materials were left behind as the ice thawed unevenly across the North American continent. In the province of Ontario, which borders on the Great Lake of the same name, these deposits created a great terminal moraine in the shape of a horseshoe, a scythe-like structural feature that wedges the



city of Toronto next to the lake. This is a natural shelter for the city from the northern winds and is a visual boundary and beauty spot.

**Figure T1: Greater Golden Horseshoe (GGH) [Source: Ministry of Infrastructure]**



[http://www.moi.gov.on.ca/pdf/en/GrowthPlan\\_GGH.pdf](http://www.moi.gov.on.ca/pdf/en/GrowthPlan_GGH.pdf)

Simple logic might dictate the preservation and limited habitation of this precious space. Land like this offers recreation and a watershed for the surrounding communities. Certainly, there was a precedent for such preservation throughout Canadian and American history, with land set aside for wildlife and water protection from almost the time of early settlement. Nonetheless, this precious area was subject to growth pressures for over a century until provincial and local interests were able to pull together a coalition to set an enforceable “growth boundary,” preserving much of this area forever. As this chapter will explore, environmental causes such as this have more than once played small yet important roles in Toronto’s journey toward adopting a more comprehensive regional governance framework, befitting the city’s transition to “Global Toronto,” as we will call the city-region today.

### **Defining region**

As noted, the region of Toronto sits upon a precious landscape defined by waterways and hilly terrain. While the metropolitan area contains 25 local municipalities, including the Toronto megacity and 24 surrounding municipalities, we use the term “region” here to refer to the broader Greater Golden Horseshoe area, as shown in Figure T1 above. It is this broader area we refer to as “Global Toronto.”

### **Opening the regionalism conversation**

As White outlines in his history of regional planning in Toronto, the post-World War II years saw a growth in civic interest and political willingness toward the idea of planning for Toronto and its surrounding areas. Despite some attempts in the 1940s, however, it was not until the following decade that regional planning efforts would have a long-standing impact on the region. Two developments during this decade are of particular importance to understanding how regionalism and environmentalism have shaped the area’s development.

In spite of a recognizably fragile landscape in greater Toronto, little thought had been given to organizing a protective shield for the area until Hurricane Hazel wrought havoc on low-lying

unprotected land in 1954, leaving 81 people dead and billions in property damage.<sup>86</sup> Before the hurricane devastation, several small conservation districts had attempted to maintain water quality and wildlife areas. Post-hurricane, these organizations were folded into a single authority, the Metropolitan Toronto and Region Conservation Authority (MTRCA), which took over the work of the small entities with a greater mandate to control flooding. The agency pursued this mandate through land purchases and land appropriation, heavy engineering works, and natural lands rejuvenation. This was one of the earliest examples of regionalism in the area, limited to the single issue of conservation. The agency was prominent and costly, ultimately generating a public backlash in the 1970s as costs and expropriations escalated.

### **Metropolitan governance**

In addition to the MTRCA, one other particularly noteworthy example of regionalism had emerged in the Toronto area in the 1950s. The province of Ontario has significant authority over local land-use policy. Despite these powers, regional growth strategies in the province have historically been limited, which has created a political climate that is averse to regional planning and metropolitan governance. But as the region had grown in population and economic power during the 1950s, the Ontario provincial government decided that some form of the merged governmental body was required to guide the economic direction of the fragmented patchwork of cities and towns surrounding the central city of Toronto. This action was taken in 1954, during the heyday of US cross-border manufacturing, with Toronto and its suburbs playing vital roles in the auto and auto part industries. Initially, the idea was to spread the metropolitan wealth from the booming central city to nearby suburbs.<sup>87</sup>

This metropolitan governance structure was a forced marriage of the central city municipalities with 13 neighboring villages and rural municipalities. It was achieved through the legislative creation of a federated municipality of Metropolitan Toronto, to be governed by the new Toronto Municipal Council and be advised on planning issues by the Metropolitan Toronto

Planning Board, made up of citizen advisors. The province continued to have ultimate control over urban planning and the related instruments of authority, with the new amalgamated entity acting as a large local governing board that laid out principles for local planning boards to follow.

This multilayered governance system lasted until 1998 although the regional entity's authority over planning had been removed by the provincial government in the 1970s. Significant achievements in city-regional planning did not occur until the early twenty-first century when it would once again be driven by concerns over conservation. By this time, the governance system of the Toronto region had undergone some significant changes, driven by shifts in the city's economy and by the fact that regional governance approaches were attracting increasing prominence around the world. To reflect and embrace this new sense of globalism, in 1998 the provincial legislature amalgamated six existing municipalities to form the new "megacity of Toronto."

### **Mega-what?**

The amalgamation of municipalities into a megacity was designed to provide an added notion of collective governance as well as cost savings for the city. This amalgamation of greater Toronto into a single metropolitan system was initially opposed by all of the suburbs, and petitions were mounted to fight the idea of a megacity that wiped out local control. Despite these concerns, the megacity plan proceeded. The new megacity governance comprised a single mayor and elected council members from similar-sized districts, with modest attention given to old town and city boundaries. This new megacity approach to governance continues today, administering the entire area and providing almost all community services such as waste removal, water, and power through a single entity. But the old town system also continues,

with communities developing local plans to meet their localities' needs. As a result, there is considerable local community engagement in issues like natural preservation.

Indeed, it was a natural preservation issue that can in part be seen as playing a role in the shift toward the new megacity approach to governance in the region.

***Waterfront: a subtle but significant influence on regional governance planning***

As noted above, megacity governance in Toronto did not come about easily. As is often the case with major change, a focal issue was needed to drive the debate. In Toronto, one such issue was the waterfront. Driven by this cause, the movement for regionalism eventually succeeded in introducing regional environmental controls that would also help to protect the moraine and other green areas surrounding the city.

As noted above, Toronto is bounded by water, and its waterways have always been central to the economy. As in New York, the industrial waterfront was long considered an unattractive nuisance, and as containerization took hold in the 1960s, the waterfront at the southern edge of the city became an increasingly problematic civic eyesore. As the piers crumbled, the harbor commission and federal government sold off much of the land helter-skelter, creating islands of condos and other developments that were largely isolated from the city center by roadways and another interfering infrastructure. Also, adjacent areas that were now within easy striking distance of the city but just outside city control started to sprawl into new suburbs. By the 1970s, Toronto was in the midst of a development crisis. As the central city reached for global prominence, one of its most visible resources—the waterfront—was undermining civic grandeur and endangering water quality for the region. Something had to be done. So, driven by their global aspirations, the civic elites began to push for a national inquiry into the Toronto waterfront dilemma.

A Royal Commission (a joint federal and provincial creation) was set up in 1988, led by former mayor and former national parliamentarian David Crombie. Its mandate was to assess the

impacts of development on the vital waterways controlled by the federal government and to assess the environmental issues associated with the surrounding wetlands. Crombie's commission took the mandate as broadly as possible and launched an effort to determine how best to manage the entire regional settlement and watershed planning. The commission's work received positive press coverage in the region, which helped to boost its claims, along with the support of local environmental groups. The commission released three reports—in 1988, 1990, and 1992—after which the provincial government established the Waterfront Regeneration Trust to implement the recommendations.

Perhaps as important as the specific outcomes, however, was the way the commission's wide reach and the positive reception it received contributed to a significant shift in how environmentalism and regionalism were perceived. According to Boudreau et al.:

By defining his mandated area as inclusive of a long stretch of waterfront (rather than the Toronto area alone) and reaching inland to the headwaters of the rivers that flow south into Lake Ontario, Crombie gave Ontarians for the first time a regionally scaled view of the Toronto area. Adding the eco-modernizing concept of “ecosystem planning” to the formal expansion of his mandate, Crombie created a visionary and hotly discussed framework of planning, which would become influential in the 1990s.<sup>88</sup>

### **Governance issues return to the fore, but environmental issues linger**

As mentioned above, one outcome of this shift in regional thinking was arguably the desire of the conservative provincial government, elected in 1995, to introduce regional governance through the 1998 megacity amalgamation. Despite the effects of the Waterfront Commission on how the region saw itself, the move to mega-governance was still controversial locally, with the municipalities affected not willing to give up local control. Nonetheless, momentum also came from the fact that the amalgamation was clearly on trend with international developments, emerging just as the globalization theme swept the world. Toronto was already the financial

capital of Canada, with Ontario hosting a more diverse and robust economy than any other province. In the early 1990s, North America had been rocked by deindustrialization, and Toronto lost much of its manufacturing base. But Ontario continued to benefit from the secession movement in the neighboring province of Quebec, which, since the 1970s, had prompted capital to leave the Francophile province for a more stable base in Toronto. This migration had generated new industry bases in Toronto in areas like film and high tech, which allowed Toronto to cope with deindustrialization better than some other neighboring cities.

In addition to these local influences, the North American Free Trade Act (NAFTA) unleashed a torrent of cross-border activity based in and around Toronto. As nearby Detroit languished, anchored in its auto past, Toronto boomed. The contrast between the rise of Toronto and the demise of Detroit is well described by Isidoros Kyrlangitses, who cites differing tax and government structures as the primary culprits, but with local civic leadership also a significant reason for this difference between cities that share a Great Lakes location but operate in different national milieus.<sup>89</sup> Strong mayoral leadership combined with increased globalization brought a mixture of the US and Canadian capital to internationalize Toronto as well as attracting US professional baseball and basketball to align with the strong hockey franchise. The Toronto metro area, with a population of just over five million in 2006, had a 20% growth rate over the past ten years and is ranked as one of the fastest growing large cities in North America.<sup>90</sup> In a sense, the fact that a conservative, free market government made Toronto a “megacity” put the city on the map with other emerging free-trade-oriented global cities. In turn, business in Toronto took advantage of the rising global mood, as Boudreau et al. point out, to keep waterfront redevelopment a key issue on Toronto’s political agenda:

Indeed, much of civil society mobilization at the city-regional scale in Toronto does not come from progressive forces. But from globally-oriented economic elites, who were able to integrate segments of community organizations and the voluntary sector in a coalition called

the Toronto City Summit Alliance (TCSA). It had become very active since June 2002, when it was created. In their words, the TCSA's membership includes "private, labor, voluntary and public sectors in the Toronto region", as well as a "network of hundreds of volunteers". The TCSA states that the reason for its coming into existence is "to assess our urban region's strengths and challenges" and these challenges are defined as "expanding knowledge-based industry, poor economic integration of immigrants, decaying infrastructure, and affordable housing"...A striking sociological characteristic of the TCSA is that many participants come from...the transnational capitalist class (TCC) composed of transnational corporation executives, "globalizing bureaucrats," "globalizing politicians"...Not surprisingly, the TCSA's program is built to channel most of the public monies to infrastructure (waterfront revitalization being the most important one).<sup>91</sup>

Through efforts like this, the force of the dual trends toward megacity governance and environmentalism were harnessed to ensure the ongoing revitalization of Toronto's waterfront. The positive outcomes of this process include an accessible waterfront trail that stretches from Quebec to Niagara Falls as well as significantly improved water conditions in Lake Ontario. While property redevelopment along the water's edge has also clearly resulted from these changes, it has happened in concert with region-wide environmental improvements that may not have been conceivable before the waterfront commission process occur.

### **From the water back to the mountains: regional focus shifts back to the moraine**

While concerns over waterfront development were linked to shift toward regionalism in how the city of Toronto saw itself, concerns over the development of the moraine were also having an impact. By its very nature, the moraine necessitated a regional vision if anything were to be done about protecting it from overdevelopment, as it crosses multiple municipalities and counties. Public pressure for protection of the moraine grew throughout the 1990s, driven by the shared interests of peri-urban landowners and environmental groups. As Wekerle and



Abbruzzese note, this drive toward protecting the moraine also benefitted from the waterfront commission raising public consciousness of conservation issues like bioregionalism and the role of the watershed.<sup>92</sup> With the support of the Toronto city council, a coalition of landowners and environmental causes used legal channels to challenge development applications for the moraine at the provincial level, raising the issue's profile to front-page news and eventually prompting the province to create an advisory committee on the issue. This committee drafted the Oak Ridges Moraine Conservation Plan, which became law in 2002.

Following in the footsteps of the MRCA, the Oak Ridge's Plan provided a land management system for the region. It required preservation of 62% of the moraine and made wildlife sanctuaries and other land and ecological conservation central to all land management in the region. Since the provinces effectively control all local jurisdictions, the new law enacted by the Ontario legislature set a new template for all planning in the region and was a big win for the megacity of Toronto. Instead of creating a new entity to police the plan, the province simply required that all jurisdictions comply with the mandate of the plan and draft corresponding implementation plans. This approach was seen by the city as a big win because conforming to the plan would require more in-fill development and less sprawl, which would raise local property values and move development to designated areas.

### **Oak Ridge's sets the ball rolling on regional environmental and growth planning**

Following the passage of the Oak Ridge's Plan, public concerns about environmental issues (this time sprawl and traffic) continued to shape regional action. In late 2002, the provincial government set up five Smart Growth panels to help plan for expected population increases over the next 25 to 30 years. The panels were made up of individuals from local governments, businesses, stakeholders, and the communities. The aim of the panels was to advise on a range of priorities to help the province make decisions on infrastructure investments and on the means of protecting and managing Ontario's natural heritage and resources. Final recommendations

were submitted in 2003 in a report entitled, “Shape the Future: Central Ontario Smart Growth Panel.”

Following the provincial election in 2003, the Ontario government introduced the Greenbelt Protection Act. The act designated a greenbelt study area and placed a one-year moratorium on development within the study boundaries. Building on the results of this research, by 2005, the province had established the Greenbelt Plan. The lan added more than one million acres of farmland and environmentally sensitive lands to the already protected Niagara Escarpment Biosphere Reserve and the Oak Ridges Moraine. The 1.8 million-acre greenbelt is intended to support multiple objectives including (1) sustaining and nurturing the agricultural sector; (2) protecting natural heritage systems; (3) providing cultural, recreational and tourism opportunities; (4) supporting viable rural communities; and (5) ensuring sustainable infrastructure and natural resource practices.

Building on this momentum, the provincial government then passed the “Places to Grow Act” in 2005, which provided the legislative power to develop the growth lan for the Greater Golden Horseshoe (GGH Growth Plan) in 2006. This new lan provided a window of opportunity to change the nature of planning in Ontario and symbolized the first attempt at regional planning to be fully implemented since the 1950s when the Metropolitan Toronto Planning Board was formed. Through the GGH Growth Plan, the Province would essentially act as policy leader and facilitator, regional governments as coordinators, and local municipalities as implementers. The GGH Growth Plan covers an area reaching beyond the moraine, including the megacity of Toronto and the surrounding regional municipal governments of Hilton, York, Peel, and Durham as well as the Oak Ridges Moraine and the Niagara Escarpment—the broadest scope for a regional planning instrument to date.

While creations of the provincial government, the Greenbelt Plan and the GGH Growth Plan were the product of consultation and collaboration with various levels of government and the

public across Global Toronto. During the initial development of these plans, there was broad recognition that a top-down approach to growth management would be perceived as heavy-handed and would serve to create local resistance against comprehensive growth strategies. This collaborative and consultative approach seemed fitting, given the role public opinion and campaigning had played, in ensuring these conservation concerns were addressed—pressure that forced the provincial government to adopt the most regional approaches to planning and governance that prevail today.

### **Megacity meets global challenges**

It would be an exaggeration to say that Toronto used global or even regional paradigms to meet its environmental and growth management challenges. Toronto's location on a sensitive habitat next to one of the world's largest bodies of fresh water created environmental problems that necessitated big-picture solutions. Provincial anxieties over the cohesive administration of quarrelsome local jurisdictions generated a desire to become a megacity, though this development needs to be viewed in the context of the significant opposition it received on many fronts. But despite this local opposition, events conspired to propel Toronto into global regionalism. Changes in the global industrial base combined with an increasingly diverse economy and multicultural base to catapult Toronto into the global city limelight in the 1990s. Of course, it is necessary to recognize that sometimes good fortune also intervened, for example, when Jane Jacobs the eminent urbanist moved to and made Toronto her new urban laboratory in the 1970s. Jacobs pushed successfully to preserve much of the city's mixed-use character while accepting smart high-rise development in the city center. In doing so, she contributed to the development of a city that was well suited to adapt to twenty-first-century urban living preferences and demands.

Accompanying these trends toward a global city status was the dilemma of how to build a modern urban infrastructure on a sensitive habitat. Despite the objections at various levels of

government, regionalism was the only clear solution. As a result, Global Toronto now has a real growth boundary with internal environmental imperatives that force a degree of collaboration and coordination regionally to safeguard the habitat. But an added and unplanned fillip is the growing, if still limited, sense of regional destiny forged through meeting these environmental challenges as a region. This regional platform is a springboard to Toronto business and government forming a coalition for progressive international development, which has ingredients of environmental stewardship and social equity. So the need to solve a thorny local and very visible problem ultimately formed the bedrock for more cohesive governance arising from the government-imposed institutional arrangements. Or as Boudreau et al. put it: In Toronto, it is possible to argue that popular regionalism is tightly linked to the existence of a few connecting and pervasive landscape features, which give the Greater Toronto Area profile and contours: The Oak Ridges Moraine, the Niagara Escarpment, the Waterfront, the Don River, the Humber River and the emergent governance space of the Greenbelt. Both downtown-waterfront and exurban growth conflicts emanated from the same dynamics of regionalized global city growth and refracted in popular imaginations of what should be where in the urban region.<sup>93</sup>

Toronto is a global, regional player as a result of these turns of events as much as of any deep strategic moves by public-private partnerships nourishing internal economic expertise to move the city toward global recognition. In this respect, it is unique. It is also unique in the way it used its mandate to craft a future for its environment as the template for global region building. But it is not unique in being dealt difficult environmental challenges as barriers to meeting

local and international aspirations. The lessons learned from overcoming these barriers are likely to be useful for other cities facing similar barriers in the future.

### **Conclusions and lessons**

Too many places have placed environmental matters low on the priority list, as something to do after the bigger goal of “becoming global” has been achieved. It is clear from Toronto’s example that environmental responsibility and global importance can be achieved together. Drawing on Toronto’s example, one might go so far as to say that a global region that leaves its ecological and social issues too long will find it nearly impossible to reach global status.

We can learn several things from this case:

1. The road toward global, regional status is not linear; different places emerge for very different reasons.
2. Controlling the future is often a case of dealing with issues of the past for cities and regions. In the case of Toronto, it is easy to look across the border to Detroit to see how festering local social issues can destroy international prospects, while other big cities like Mexico City with almost insurmountable environmental issues can only make slow progress toward global recognition.
3. A clear, physically visible issue can put the need for regional governance into clear perspective.
4. Sometimes a new way of looking at a place and its issues is needed to reframe the debate, as the Waterfront Commission managed to achieve in Toronto.
5. Solving regional problems has to set a process in place to drive regional thinking for the long term. All of Toronto region’s cities, towns, and neighborhoods must work together every day to ensure regional imperatives are met.

## Final chapter: Takeaways

This research is based on a set of assumptions drawn from the growing literature that sees the global urban future as an increasingly interconnected series of megacity regions. On this view, we are now well into the latest phase of the urban evolution, with small towns having transformed into industrial cities and now into global megacity regions. Each of the previous evolutionary stages produced a governance form consistent with the issues faced on that particular scale. It is now becoming imperative that an appropriate form is also produced for this new iteration of the urban form.

This need is particularly evident when considering that every global megacity region discussed in this book is now encountering issues with governance and management, despite the physical, social, and political differences between these places. In many cases, these cities have found ways to implement piecemeal approaches to regionalism in managing issues like economic development and primary infrastructures such as water, waste, electricity, and transport. But in most of these places, the next step to regional governance is lagging, even in the face of compelling evidence for the need for broader and bolder regional governing capacity to address mounting problems.

As we have seen in this research, problems have tended to drive the movement toward regionalism, rather than any broader vision for creating a more efficient and effective governance system. It is for this reason that we have used global problems as the lens through which to examine our eight global cases. Environmental degradation caused by urbanization is an issue well beyond the reach of a single local governmental entity, as is managing informal housing with basic infrastructure (São Paulo); metropolitan transport (Lagos); sustainable density (Melbourne); international trade (Shanghai); regional environmental resource

management (Toronto); economic development (London); overcoming food access inequities (Chicago); and providing affordable housing (San Francisco).

These are global–local problems emanating from worldwide issues. As a result, while each global megacity region offers unique contextual lessons, we also see some shared challenges and experiences emerging from these cases. From the intersection of places, problems, and resources covered here we have learned some lessons about what works and what doesn't work when trying to find innovative solutions to the challenges of global urban, regional transformation. This chapter provides a recap of these lessons, which we hope may function as a preliminary guide for anyone confronting these challenges in years to come.

More specifically, these lessons are reconsidered here as a contribution to RPA's Fourth Regional Plan, adding a global perspective into the mix of resources from which RPA will build the specific policy narratives of the plan. It is through research and planning efforts like the regional plan that RPA helps to ensure that the tristate region will sustain its leading role in the global economy through the middle of the twenty-first century. The plan will provide a road map to improve the region's quality of life and efficiency, to give it the edge it will need to retain its place as one of the world's leading centers for finance, commerce, media, research, and technology. It will help the region manage anticipated climate and demographic change and plan for potential disruptions of energy, water, and other essential resources. And it will promote the process of creating new pathways to the middle class, particularly for the region's growing minority and immigrant populations. In guiding this process, RPA ensures that the New York region will continue to both learn from and offer lessons to other global megacity regions for many years to come.

Importantly, however, RPA does not see the global economy as a “zero-sum game” in which New York's success must be at the expense of other regions. Rather, it sees the world's economy as one in which every global city can achieve even greater prosperity if its peers are

performing well. Their goal is to make it possible for New York to maintain its unique position as a leading global center with an economy that is closely linked to other prosperous, successful places. This research is a small contribution toward this goal.

### **Regional issues for Global New York**

Looking at the challenges ahead in preparing the Fourth Regional Plan, RPA has identified five key issues, each of which overlaps to some degree with the lessons emerging from the cases covered in this research. These issues are:

- urban form and economic geography;
- infrastructure and technology systems;
- access to opportunity;
- environment and climate resilience; and
- governance systems.

The way RPA sees each of these issues affecting the New York region will be outlined, followed by a recap of related lessons emerging from our global case studies.

#### **Issue 1: Urban form and economic geography**

All regions need to define the boundaries, emerging characteristics, and economic role of the region at different scales. They also need to analyze the impact of major economic and social trends on development patterns and project future supply and demand for housing, commercial development, and other uses by type, size, preferred location, and other characteristics.

Emerging metropolitan settlement patterns are creating the potential to improve the region's competitiveness. As demonstrated by RPA's America 2050 initiative, megaregions are now emerging that encompass several metropolitan areas with integrated economies and infrastructure systems. Internationally, megaregions are increasingly defining the economic geography needed to participate in the global economy. For the New York region, this requires looking at transportation, landscape systems, energy, and other issues both at the tristate



metropolitan level and for the northeast megaregion stretching from Boston to Washington, DC.

*Lessons from global regions*

The size of urban jurisdictions has often primarily been a function of service delivery capabilities, ranging from street cleaning to the provision of water, sewers, and recreation facilities. Rational geo-economics as espoused by Ostrom proposed creating large governments by merging inefficient delivery apparatus. Globalism increasingly points to consolidation on an even larger scale, for example, megaregions covering the entire northeastern United States from Washington DC to Boston and similar mega-systems in Europe and Asia. Asian megalopolis like Tokyo, Seoul, and Shanghai are already at this level, with cities like Auckland and Moscow emerging as the next tier of possible megacities. The most efficient size of the regional space is an ongoing issue for the cities covered in this work. What emerges are not clear answers but interesting ways to conceive of the notion of space, and more importantly, ways to shift local thinking toward the regional thinking required to address this new urban scale. In particular, the key lessons are as follows:

- Solving regional problems has to set a process in place to drive regional thinking for the long term. For example, all of the Toronto region's cities, towns, and neighborhoods must work together every day to ensure regional imperatives are met. One of the ways this has been facilitated is through the Waterfront Commission's efforts to reframe the environmentalism debate by promoting a new way of looking at the place and its issues. The result is a widely held regional outlook that helps make other regional action a reality.
- Regionalism starts from a problem larger and more complex than the primary city can resolve or where the necessary resources are located beyond the governing jurisdiction. Regional entities emerge or evolve from the solution to a problem—like Chicago's formation of the Chicago Food Policy Advisory Council and the City of Chicago

Department of Zoning and Planning Task Force and Steering Committee. This approach brings most of the concerned entities under one tent and then allows them to find other ways to work together beyond the immediate problem at hand.

- Make the issue or problem central, with a focus on the resolution and not institutional configuration—in essence, it doesn't always matter who is in charge. What matters are the dimensions of the problem(s) and who is best suited to address them. This focus enables institutional responsiveness, which may otherwise be hindered by inflexible existing hierarchies and relationships. Chicago and Melbourne are excellent examples.
- Regional experiences to date suggest that, at least in the short term for regional issues are most likely to be multidimensional and multi-institutional. This kind of approach is well demonstrated in the case of Chicago's food programs for the poor. These programs solve the problems of farmers, food delivery providers, welfare agencies, and other agencies not by creating a single overarching entity but by creating a collaborative system based on the problem.
- Regional thinking involves looking for ways to take on problems with innovative solutions, particularly through collaboration. The formidable task of generating sustainable communities in the Bay Area is one that many other organizations would have taken on with trepidation. But ABAG saw this as the role it could and should play and crafted a collaborative approach that reinforces local assets while meeting state-mandated regional requirements. In doing so, ABAG has become what other past groups wanted to be but could not achieve.
- While problem-based approaches are a good starting point, ultimately, a holistic approach is the best way to deal with shaping a global future. Gimmicks or single achievements will not meet the challenges of globally competitive development. Global cities have to work on all their problems because no single option will catapult any city region to greatness.

Moreover, failure to meet the challenges in one area can defeat good efforts in other world-leading sectors.

## **Issue 2: Infrastructure and technology systems**

Infrastructure and technology are the essential hardware and software of global city-regions. This focus area will research and analyze existing travel patterns and the potential of technology to make transportation and other infrastructure systems more efficient. It will project future metropolitan passenger travel patterns and assess alternatives, analyze movement trends of goods and future needs, and assess alternatives and project future intercity travel patterns as well as assess future energy needs, supply, and alternatives. It also will project future data cargo throughput needs and capacity and identify opportunities for shared infrastructure investment and opportunities for combined transportation, energy, and telecommunications corridors.

The financial base needed to sustain existing infrastructure systems or make needed improvements is sorely inadequate. To address these concerns, New York's Fourth Plan will propose new models for financing and building infrastructure investments, such as infrastructure investment banks and value-recapture systems, and public-private partnerships will be investigated. Also, the region's cost structure and regulatory processes have added considerably to the cost and time required to build infrastructure and commercial and residential development, undercutting the region's ability to make these investments and meet the needs of a growing population and expand the economy. Many of these procedures are decades old and in need of review and improvement. The result of this portion of the plan will be more cost-effective and timely regulatory procedures, improved work practices and

modernized procurement procedures for public infrastructure projects, and reduced costs and more timely delivery of both public and private construction.

While the region's infrastructure challenges are many, technology trends are moving the region in a favorable direction, and a strategic plan for the region can help capture this momentum. In particular, emerging information and urban management technologies are revolutionizing the ways in which we manage transportation, energy, the environment, and other major systems.

### *Lessons from global regions*

Large-scale infrastructure projects have long been one of the driving forces behind regional collaboration, as the historical overview in the first chapter of this book suggested. As our research shows, however, the complex logistics involved in such projects make this an ongoing regional challenge. Western cities like London are continuing to refine their approaches to managing major projects while emerging global cities like Lagos are trying to find ways to manage these kinds of projects while working with less well-developed governance structures. Both kinds of places offer interesting lessons for how regional infrastructure projects can be brought to fruition.

- Lagos shows that harnessing both public–private and public–public approaches can be win-win. So getting the private sector to fund and operate a new rail system is a boon for the government and the people. Similarly, contracting with unionized workers to compete for and build bus systems can work too. The challenge is always how well these approaches are led and managed.
- Using transferable economic development organizational structures that can operate at any scale within the global region can be an effective approach. For example, London's urban

development corporations with their mixture of national, local, and business input are flexible instruments that can be configured to meet global and local challenges.

- Large projects can be levers to move to smarter infrastructure and better coordination of government services. Events of international scale are an important transformational element for global cities. But cities also need to acknowledge that it is hard to be global and also pay attention to local issues. London confronted this issue in the controversy it attracted for its global focus in redeveloping in the East End rather than implementing a more localized, sustainable development agenda. Efforts can and should be made to find a balance and satisfy both of these agendas, but tension is nonetheless a likely outcome.

### **Issue 3: Participation and access to opportunity**

The hollowing out of metropolitan regions' middle-class has accelerated, raising not just issues of basic fairness but also of economic effectiveness. Access to opportunity has not kept pace with growing prosperity. Growing income inequality has been a consistent trend since the 1970s and has accelerated in the last decade. What can the region do to promote more stable and fair economic growth?

Research for this section of the Fourth Regional Plan will focus on the extent of income inequality and limited social mobility facing various ethnic and racial groups in the region and will assess how demographic and economic trends are likely to affect these over time. It will analyze the impact of planned infrastructure investments on development patterns and will assess implications for expanding economic opportunity and social equity.

Meanwhile, the Internet and new technologies have transformed the way we communicate—and provide exciting possibilities for engaging citizens and managing change. At the same time, communication and visualization technologies are quickly changing how citizens engage on important public issues, creating the opportunity to involve the public in new ways in developing and implementing a new regional plan. Perhaps one of the most exciting

opportunities of the Fourth Plan is the opportunity to use social media and other new tools for engagement to facilitate a region-wide conversation and establish networks of public officials, experts, advocates, community leaders, and citizens. If successful, these tools could help foster new ways of engaging citizens in the policy dialogue led by nongovernmental organizations such as RPA.

### *Lessons from global regions*

For the most part, the lessons learned from our megacity case studies don't tell us how to address poverty and inequality directly. Some of our lessons do, however, speak to the issue of participation and who decides about how regional issues like these are addressed. As we saw in São Paulo, greater participation from civic groups can help to ensure the regional system becomes better equipped to address these kinds of access and inequality issues. Other related lessons include:

- Designing systems to deal with problems in social services and unemployment that improve the environment and create new jobs is far better than new government-operated programs that are top-down managed. This is a lesson that Lagos now seems to be starting to grasp.
- Being global should not necessarily be the immediate goal for large developing metro regions, but solving globally recognized issues like informal housing and inequality will attract increased international investment. New investment in social and commercial sectors increases overall wealth and generates global visibility.
- Local leadership down to the street level needs to feel engaged as well as rewarded for facilitating national/regional objectives. Even small businesses and the community have some say in the Shanghai regional system—not necessarily in what is done but perhaps in where it is done or who benefits from development. Allowing for participation, even if controlled, allows city- and community-level leaders to feel engaged and gaining regarding civic amenity and local employment, thereby making globalism easier for communities.

This participation remains only an emerging practice in China, but it does seem to be gaining recognition as an important element in megacity governance.

- Let everyone into the tent. In San Francisco, ABAG is operating as the facilitator, not the governor. The ABAG leadership astutely asked everyone to help and included all who wanted to be there into the crafting of directions and programs. It has been savvy in giving nonprofits and other regional organizations roles rather than reducing other institutions' visibility or power.
- Increasing civic engagement and global prospects in the future is often a case of dealing with issues of the past for cities and regions. In the case of Toronto, it is easy to look across the border to Detroit to see how festering local social issues can destroy international prospects while other big cities like Mexico City, with almost insurmountable environmental issues, can only make slow progress toward global recognition.

#### **Issue 4: Environment and climate resilience**

With two once-in-a-century storms hitting the region within the past year, evidence of climate change today is clear. How will the region adapt to this new reality while redoubling its efforts to reduce carbon emissions? This research effort will map and analyze the region's goals for the critical ecosystem services (e.g., habitat, water, recreation, wildlife, agriculture, and forestry), identify the greatest threats to the region posed by climate change, evaluate

alternative strategies for adaptation, and assess potential investments and policies needed to build and sustain green infrastructure.

### *Lessons from global regions*

When ecosystems collide with human habitation growing beyond the capacity of the environment, harnessing the available regional governing instruments to the cause can be one of the most effective ways to bring about action on the necessary scale. Lessons from our case studies include:

- Ecosystem management is often most successful when integrated with the regional scope of political systems or megacity governance structures, as shown in the case of Toronto.
- Similar lessons are suggested by comparing the challenging experiences in São Paulo, where regionalism remains weak, with the successes of the San Francisco Bay Area Conservation and Development Council (BCDC), building on a long history of regional environmentalism in the Bay Area. When it comes to the environment, special purpose entities appear to be more robust in protecting environmental assets than are multipurpose entities.

### **Issue 5: Governance systems**

A deep crisis in governance threatens the long-term wellbeing of our region. State and local governments have become sclerotic, with too many leader's incapable of thinking beyond geographic boundaries or thinking long-term, and are paralyzed by crippling levels of debt.

For this focus area, RPA's researchers will map and analyze the number, functions, and overlap of jurisdictions. They will also evaluate benefits and costs of government consolidation and



shared services, assess strengths and weaknesses of approval processes and evaluate reform alternatives, research how technology can change the way the public is engaged in the planning process, and evaluate alternative financing for large-scale, long-term projects and strategies for reducing construction costs.

### *Lessons from global regions*

All our cases—even Shanghai with its heavily top-down governmental system—reflect the need to get people, organizations, and institutions into alignment to deal with large-scale global issues. A single rigid governance approach is unlikely to be as effective for global problems since these global issues are not fixed like a water system or sanitation. Housing problems in São Paulo are the direct result of global housing markets. Environmental issues on an international waterway like the St. Lawrence require wider forms of participation that need to be marshaled for the situation. Global, regional events like the Olympics cannot be subject to myriad individual decision-making systems that operate independently of the common goals. On the other hand, participation in these global issues is broader than the government. The government is an actor. But governmental leadership, particularly in elected governments, exists in a shorter term than the global-issue problem cycles. So we learned the following from our cases:

- Form follows function in Shanghai. Beijing's national government has not tried to use a rigid organizational template but instead has implemented a flexible system of governance with one executive mayor and five city mayors, moving eventually to 16 city mayors with an executive. This form allowed the underlying system to remain in place but moved the center of power, so Beijing could direct from one platform a cadre of cities and mayors, all of whom compete and collaborate to meet national goals.
- Where possible, it helps to get the broader city geography and administration into alignment. In some global cities, the city is still only a very small, weak administrative unit,

for example, Sydney and Melbourne in Australia. A large, well-defined geographic and administrative governance entity like London's LGA is essential for a global city to play a global role.

- Smart central government leadership can be a critical advantage. Central governments in some nations play no role or too small a role in global city management. It is important in a global economy that the central government has the institutional capacity to work shoulder to shoulder with major global municipalities, as is the case in London.
- Some degree of continuity in leadership and agenda is crucial for any global city regime. In Lagos, successive governors have seen the implementation of the state plan through successfully. This is in sharp contrast with grand announcements with no outcomes or with corruption arrests. This is probably due to the global public nature of the pledges. The world is watching. Moreover, such public momentum from the top gives communities an opportunity to participate in determining how to get the projects done, even if they cannot shape the nature of the projects. Continuity at the top creates the scope for a public-private cooperative or a publicly recognized institution of some kind to emerge.
- Regional organizations that can play both the inside and the outside game can be highly influential. This has been a clear strategy for ABAG in San Francisco. On the inside, they are the state-mandated agency. But they also act as an advocate for the communities and work with nonprofits and others to advance economic, social, and political goals in the state legislature or to alter the behavior of their city members.
- National policy frameworks that recognize metropolitan, regional systems are greatly influential in assuring that such systems can function coherently. Brazil is now debating a legislative framework at the national level to guide regionalization, even though there is no national authority to do so in place at the moment. While the states fear heightened roles from the federal government based on past experiences, an appropriate and well-conceived

national framework would help to ensure regionalism takes off in São Paulo and can achieve its desired goals.

- Horizontal engagement is helpful—that is, key government and key business and community leaders can generate new paths to solutions that vertical administrative systems cannot. This is the key to the CfM’s success in Melbourne—including people at the right levels in examining the issues and creating paths to solutions, as opposed to trying to influence from the top down.
- Some institution directly visible and accountable must own and track the progress of the agenda with the people, so electoral forces are used to get to the goals and not to undermine them or dismiss them. A publicly visible group composed of leaders from the business and community sectors make accountability easier to enforce. Lagos still needs to take this step.
- All eggs sometimes should go into one basket. Brazil’s regional framework put all agencies dealing with metropolitan problems under a common umbrella for agenda setting, program design, and funding. The agencies are not tied together operationally, but many of the cross-jurisdictional issues are reduced or eliminated by having a coordinating body that can control and direct resources at the regional level. It does not have to manage an

administrative institution, but it does have to guide them all in the selected agenda areas like infrastructure and housing with better links to economic development.

### **Graphing our conclusions**

So how do we summarize all of this? Is one form of regional organization better than another?

We can summarize our lessons across six clear dimensions, which apply to varying degrees in the eight case studies we have considered here:

1. **Institutional capacity**—That is, does the organizational system or strategy have the ability on a consistent basis to develop solutions for regional global issues?
2. **Multi-organizational structure**—Does the regional approach allow the global, regional entity the flexibility to self-design, incorporating other organizations, institutions, and individuals from required sectors to tackle the issue?
3. **Government connections**—All of the effective organizations, are within or well-linked with government through structures that allow some use of or access to government resources. But government participation is not government control or direction. In fact, a high level of government control weakens flexibility and sometimes reduces the credibility of the organization within the community.
4. **Engagement**—Engagement is the process of communicating with, educating, and learning from those affected by or concerned with a proposed course of regional action. All aspects of the community are important, but the real test is the degree of commitment of the corporate and civic communities, as government involvement of some degree is usually a given. Chicago is one of the best examples of this kind of collaboration, where nonprofits and the business community fashion solutions to problems.
5. **Purpose fit**—This means the regional organization repeatedly reshapes itself to the issue at hand, in the way the Committee for Melbourne and RPA do so well. Each either creates

a new entity or acts as the base organization to deliver the required guidance and services.

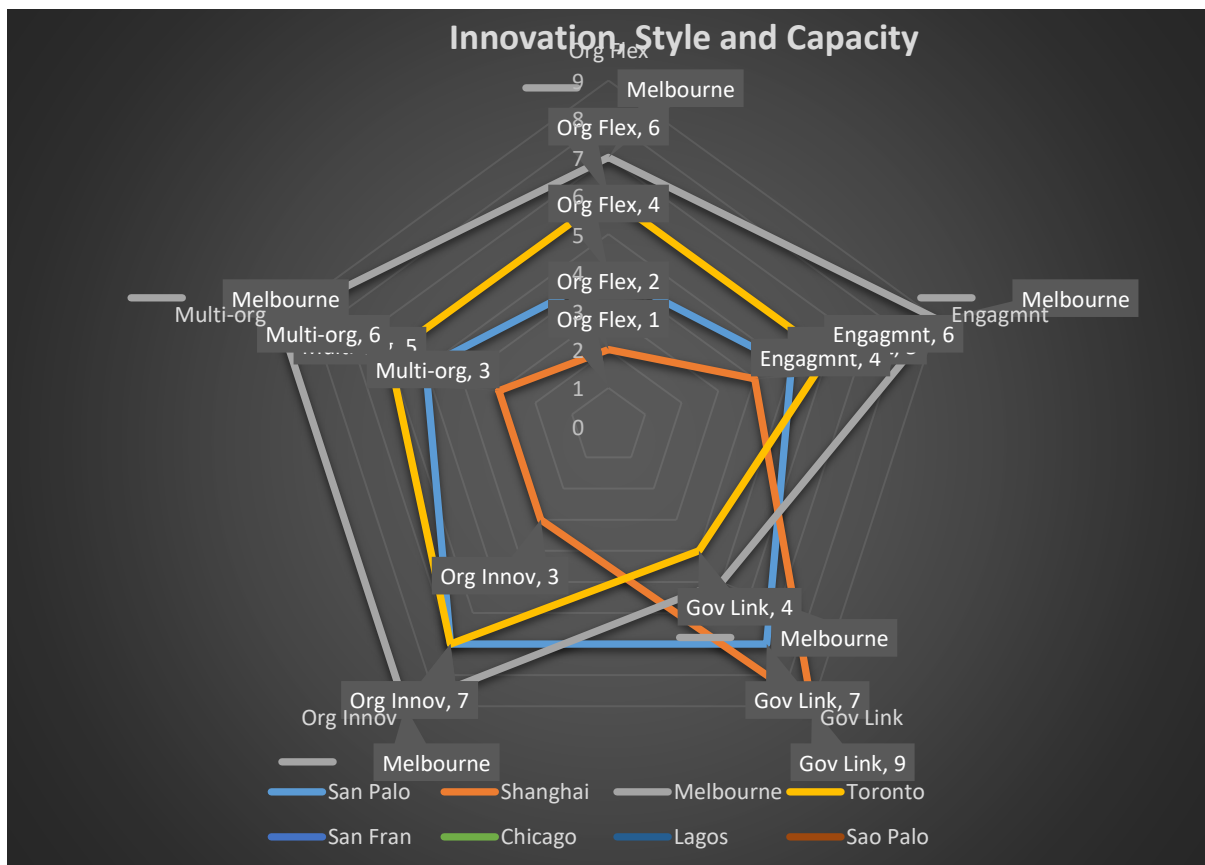
These organizations have a flexible capacity to reconfigure to meet the issues that emerge.

6. **Flexibility**—Organizational flexibility is also important in other respects, including speed of response and financial flexibility. Levels of bureaucracy going to the national government help to speed up decisions in London, but the same long chain slows responsiveness in cities such as Shanghai and São Paulo, where many decisions have to go to the national level (although in Shanghai, once an agreement is reached, things do move quickly).

### **Meta-analysis and themes**

To provide a clearer view of how we see each city-region ranked across these six dimensions, we assessed each city heuristically on a scale of 1–10. We also included RPA and the global New York region in this analysis to provide a sense of how RPA is traveling in its efforts to solve large-scale regional problems. The results are shown in the following graph:

As the chart illustrates, global city-regions often have clustered capacities. With a few exceptions, regional capacities are similar across all variables. This suggests it will be difficult to change one aspect of an organization without affecting the other parts. This means that organizational redesign has to be holistic, not merely a reshaping of a single piece of the organization. So systems thinking is key to altering the ability of regional organizations to deal with globally embedded problems like housing, infrastructure, and poverty. These kinds of complex problems need to be met with a collaborative cross-institutional response, not left to be managed by a single arm of the organization.



Moreover, it isn't likely that a static organization can adequately address fast-moving issues that cross many municipal, state, or even international borders. So organizational mobility both internally and externally is important. If the organization is tied by statute or rules to a locality,

or its functions are closely prescribed by charter, it is less able to lead the collaborative problem-solving process. This does not mean regional organizations embedded in governments or made up of collective governmental bodies cannot be flexible, although their flexibility is more likely to be limited by geographic or functional strictures. In essence, global, regional organizations need to be able to alter their character to fit the changing dynamic of global issues. Regional organizations must be able to be guided by the times and issues, attacking emerging problems while working within a framework of guiding principles. A constitution or other similar framework may be the best approach to shaping how an organization deals with the issues and to limiting the range of activities in a way that keeps all of the key players in the region onside.

### **Lessons in shaping a collaborative regional agenda**

Voluntary regional organizations like RPA, Chicago Regional Council, SPUR, and the Committee for Melbourne are well positioned to match or exceed the best results of all of our cases in every category except government connectivity. In many ways, a voluntary organization's success comes from its distance from government. Voluntary organizations can also develop internal leadership guided by business, foundation and community needs, and resources. On the other hand, without some degree of collaborative problem-solving with the government, there is a risk of losing leverage in important regional and local issues. Finding the balance between having enough influence with the government while avoiding the strictures of being managed by government remains an ongoing challenge for RPA and its look-alikes. One way to mitigate this danger and to strike this balance might be for such an organization to act as the coordinator or project manager with the government on mutually acceptable projects. However, this is only a worthwhile approach if it does not undermine the organization's ability to be critical of the government and continue to effectively represent the business and civic communities. Undoubtedly, as RPA approaches its Fourth Regional Plan, it

will once again set the standard for managing these kinds of regional governance issues for years to come.



## **AFTERWORD**

### **The Importance of Civic Leadership in Metropolitan Planning and Management: An RPA Case Study**

When I joined the Regional Plan Association's staff in 1989, I had the privilege of working with Charles McKim Norton, who had been RPA's resident from 1938 to 1968, with time off for service in the Southwest Pacific as an officer in MacArthur's "Navy." We called Charles Kim. He was part of an RPA dynasty; his father was the association's founder and first chairman, Charles Dyer Norton. Kim, had also been present at the meeting in 1922 where RPA was established. Kim said he was in knee-sox at the time, but the work of RPA was clearly in his blood!

I once asked Kim why his father (who he referred to as "CDN") had organized RPA as a civic group and not as a government organization. His response was that his father felt that "his work was too important to leave to the government." Earlier in his career, CDN had chaired the Civic Committee of the Commercial Club of Chicago. This organization sponsored Daniel Burnham's 1909 Chicago Plan, and this experience informed CDN's view that an enlightened group of civic and business leaders was best positioned to rise above day-to-day political concerns that make it difficult for public officials to provide leadership on regional issues.

For nearly a century, RPA has been responsible for strategic planning for the New York Metropolitan Region.

For all of this time, as a civic group, it has been able to provide the long-term, comprehensive and region-wide outlook needed to set the region's agenda and the persistence to stay with issues until they were successfully addressed.

This last word, persistence, is critical to RPA's role and success, as demonstrated by two not-atypical projects that took decades to complete. In fact, I believe that fundamental to RPA's

success over the years has been adhering to the “3 Ps:” *persistence, passion, and partnerships*. One of the roles of RPA’s highly skilled staff is that they try to maintain a focus on the association’s key policy and investment proposals, sometimes waiting for years or even decades until the “stars line up” to advance these initiatives.

### **Two Case Studies in Persistence: The Montclair Connection and Sterling Forest**

The first illustration of the importance of the 3 Ps was the Montclair Connection, a rail link proposed in RPA’s 1929 Regional Plan but only completed more than 50 years later when we succeeded in getting an earmark in the 1991 federal ISTEA transportation bill.

In addition to funding, the other missing component in building the connection was the political will required to acquire several properties by eminent domain. Governor Christie Whitman provided this political will, only hours before leaving office as New Jersey’s governor to become the US Environmental Protection Agency Administrator. RPA encouraged Whitman to take this heroic action, and we had access to and credibility with the governor because her mother, Eleanor Todd Whitman, had been an active RPA board member decades earlier; Governor Whitman remembered: “being dragged to RPA board meetings” when she was a teenager. Whitman signed the eminent domain takings, and the Montclair Connection was opened for service in 1977. At the time, Jeff Zupan, RPA’s Senior Transportation Fellow, who played a critical role in advancing this and several other big transportation initiatives, remarked that the connection was opened for service “only 50 years after RPA proposed the project, the same week that Lindbergh flew to Paris.” But because of Zupan’s persistence—and his passion for the project—and our partnership with Governor Whitman, tens of thousands of daily commuters have had 40 minutes or more taken out of their daily trips to and from Manhattan. The second project that illustrates the importance of the 4 Ps was the protection of Sterling Forest, a 50,000-acre (20,234 hectare) tract of mountains, lakes, and rivers straddling the New York–New Jersey state border, only 40 miles (64 km) northwest of Manhattan. The forest also

contained a critical link in the Appalachian Trail, the home of several endangered species and the headwaters of the tributaries of northern New Jersey's public water supply watershed.

Sterling Forest had been identified in RPA's 1929 Regional Plan as a critical part of the region's network of landscapes deserving of protection, but it had never been a high conservation priority for either the state of New York or New Jersey. This was because of its border location and the fact that there had never been any large-scale development proposals for the site. But in the 1990s, it was acquired by a Swiss insurance company, which proposed building a city of 50,000 on the site, all of it draining into the North Jersey watersheds.

Anticipating this development, RPA Vice-resident Hooper Brooks had helped assemble the Sterling Forest Coalition. It was a highly motivated coalition of environmental groups, including the Open Space Institute (OSI), Appalachian Mountain Club, New York–New Jersey Trail Conference, and the Trust for Public Land (TPL), to back public acquisition of the forest. This effort was aided by Malcolm Borg, the publisher of the *Bergen Record* newspaper, which ran a series of passionate editorials in support of conserving the forest.

Brooks' successor at RPA, Rob Pirani, then initiated an authoritative research program that underscored the critical importance that preserving the forest would have for residents of both states, and in particular for the millions of New Jersey residents who depended on the North Jersey Water system for their high-quality drinking water. (This underscores the importance of another "P," "facts"—the need for empirical research and evidence-led policy development to underpin important advocacy efforts.)

All of this and RPA's advocacy with both governors' offices (run out of RPA's offices and by staffs in New Jersey and New York) motivated New Jersey Governor Christie Whitman to obtain an appropriation of state funds for the eminent domain taking of all of the Sterling Forest acreage in New Jersey. And she dared New York Governor George Pataki, who had a very strong environmental record, to take similar action on the New York side of the border. Pataki

did so, in partnership with OSI and TPL and aided by a commitment of federal matching and after conservation funds. Both governors agreed to have the Palisades Interstate Park Commission assume management responsibilities for the forest, which represents the critical link in a 150,000-acre (61,000 hectare) network of preserved lands along the crest of the Appalachian Highlands in New York and New Jersey.

While these two projects are perhaps extreme examples of the 3 Ps—or at least of the organization’s persistence—in implementing RPA’s regional plans, they are not alone. Nearly all of RPA’s major achievements involve coalitions and partnerships both with civic partners and with elected and appointed federal, state, and municipal officials. And nearly all of these achievements take some years to implement. (Thankfully, one of New York’s assets is that it is a very resilient place that can bounce back from adversity even if it often takes longer to do so than we would like.)

Another important role for the association is helping public officials who are eager to advance RPA’s and the region’s agenda but who are usually constrained by term limits, day-to-day politics, and political boundaries from successfully addressing the region-shaping issues that require RPA’s broader vision and perseverance. And for the most part, the institutional silos that constrain most public agencies preclude the kind of cross-cutting perspective that RPA provides. This is critical in a world in which everything is connected to everything else.

As the case studies in this book demonstrate, civic leadership is critically needed not just in New York but in every global city to help government address the urgent issues facing these cities and their metropolitan areas. In virtually all of these places, politicians are constrained by limitations similar to those present in New York. Almost everywhere, global cities have outgrown political boundaries established decades or centuries ago. Cities and their suburbs and cities and their surrounding states or provinces often have competing interests that make it difficult to advance the broader regional interest. And in New York and other places, powerful

politicians at the municipal level often can't seem to get along with politicians at the state or provincial levels. Or the head of one public authority can't get along with his or her peer at a neighboring authority. As the case studies in this book demonstrate, civic groups can help public officials overcome these narrow differences by creating visionary plans and convening or participating in collaborative processes that help global cities, their regions, and public authorities find common ground and build political support to do big things. Coalitions of civic groups can also build public support and political will to do the big things that are essential to the success of global cities. These same civic coalitions can also, on occasion, stop poorly conceived or damaging proposals from being advanced by public officials or agencies.

The case studies in this book also powerfully demonstrate that large urban system, including transportation, environment, housing markets, and economic development, function on a regional scale and need to be managed on that scale. Urban boundaries seldom correspond to this new regional geography, and for this reason, new forms of collaborative governance are being established, often involving partnerships of civic groups and municipal and state governments.

Also underpinning RPA's work—and its sense of urgency about planning for the future—is the understanding that successful global cities are the ones that engage in continuing reinvention. Where once the location of industries was driven by access to raw materials or to a major port, today, industries and firms are driven by access to a skilled workforce and deep regional labor markets. These skilled workers are more mobile than ever before and will go to where the quality of life and economic opportunities are greatest. The creation of a comparative advantage therefore involves improving the quality of life and investing in research universities and teaching hospitals, both of which require major commitments from business and philanthropic organizations as well as from government sectors. Locating or expanding these

institutions often requires support from major civic groups with a regional outlook to counterbalance NIMBY opposition from local actors.

A final piece of advice offered to me by Kim Norton applies to civic leaders in New York and other global cities. He told me, “If you stay with RPA for some years you will achieve the transformation of urban communities, and completion of great public works. Every one of these projects will have a large brass plaque—and your name won’t be on any of them!” After 25 years leading the organization and its talented research and policy staff, I can say that he was right on both accounts—we accomplished a lot, but for the most part, we toiled behind the curtain, with our role performed in and kept in obscurity. Part of the bargain with politicians is that their names go on the plaques, and they get the credit for these big achievements, even if we know that we made a critical contribution to make these things happen.

### **The importance of Learning from there old ties**

As the world’s leading metropolis for the past century, New York is the worldliest of cities, and indeed, many of its citizens come from all over the world. Paradoxically, however, it is also one of the most insular places in the world. Many New Yorkers—including some of its senior elected and appointed officials—believe that because of its many exceptional qualities, New York has little to learn from other world cities. RPA has long felt that nothing could be further from the truth. The reality is that although we may have different institutional and governance systems, every world city faces a similar litany of concerns, including addressing climate change, traffic congestion, land consumption, water supply and waste water management, housing affordability, and rising economic disparities. And every world city region needs to reinvent its economy in every generation.

For this reason, all of RPA’s regional plans and many of its policy and investment proposals over the years have been informed by precedents in other places. In the 1970s, RPA helped convene *Metropolis*, the association of major world cities in partnership with the Paris

metropolitan government. In the 1980s and 1990s, RPA led study visits to Toronto to learn about its experiments with regional government. In the 1990s, RPA also held important exchange programs with London, Paris, and Tokyo and led visits to San Francisco, Los Angeles, Atlanta, and Chicago, which inspired many of the regional rail, governance, brownfield reclamation, green space, urban development, and other proposals in its Third Regional Plan. And in recent years, RPA's Transit Leadership Summit project has convened executives from the world's largest transit agencies to discuss innovations in transit service, technology, finance, and leadership. All of these innovations have inspired RPA's work in New York.

As part of its Fourth Regional Plan, RPA has commissioned this book to enable us to learn from collaborative planning and governance innovations in both emerging and established world cities. We have also established a World Cities Advisory Committee, co-chaired by London's Greg Clark, to enable face-to-face discussions among some of the world's most innovative regional planners on the big issues facing New York. Finally, in partnership with the World Bank, RPA has organized the Metro Lab program, which brings together regional planners and mayors from both established and emerging global cities to share best practices in intimate, face-to-face settings and to learn from New York's Fourth Regional Plan process.

### **A Case Study: Learning from London**

These international exchange projects have already informed many of RPA's recent initiatives and, along with the case studies in this book, will underpin important proposals in its Fourth Regional Plan. Our long-standing relationships with London illustrate just how important it has been to New York that it learn from precedents in other global cities.

London is in many ways New York's "bookend" among global cities, and for this reason, London's innovations in governance, mobility, resilience, and other activities have long been of special interest to New York. Both cities have about eight million residents, have

metropolitan regions with about 23 million residents, and expect significant additional population and economic growth in coming decades. They are also two of the most ethnically diverse places in the world. Their economies have similar portfolios of industries, with large financial and business services, wholesale and retail trade, and growing information technology sectors. Both are also global centers for higher education, medicine, media, communications, culture, and other advanced service and technology activities. And both have older infrastructure systems in need of modernization and expansion. Both places have also taken bold steps to transform themselves over the past quarter century and were in deep trouble from the 1970s through the early 1990s.

There has long been a two-way exchange of information and insights between RPA and its counterparts in London. When the new Blair Administration announced its support for the creation of a new Greater London Authority, Nicky Gavron (who later became the GLA's deputy mayor) visited RPA to gain our insights in how New York City functioned as an effective municipal government.

London's transport innovations, for example, have inspired much of RPA's thinking about the need to transform our transportation system and its governance structure. The restructuring of London's transit planning and operations under the newly created Transport for London (TfL) has encouraged RPA to think seriously about the need to reform our own Metropolitan Transportation Authority.

This process was aided initially by the fact that TfL's first chief executive was Bob Kiley, formerly head of New York's MTA and chairman of RPA's Third Regional Plan Advisory Committee. Our exchange of views with TfL and the Greater London Authority over several years has also been enabled by the fact that Isabel Dedring, GLA's deputy mayor for transport, is a New York City native. London has also learned from New York's experience. Kiley, for



example, brought congestion pricing to London's roadway network after RPA had proposed a similar program in its Third Regional Plan.

Many of London's innovations inspired similar policy and investment proposals in RPA's Third and Fourth Regional Plans. These include the following.

- The UK's use of special purpose project delivery entities to finance and build major projects, including the 2012 Olympics, London Docklands, the HS1 and HS2 high-speed rail, and Cross rail projects, have led to RPA's advocacy for the creation of a similar entity to deliver the proposed new Hudson River tunnels.
- The creation of the London Overground surface rapid transit system led to RPA's renewed advocacy for the Triboro Rx surface rail project.
- London's investments in the HS1 and HS2 high-speed rail lines and the Cross rail 1, 2, and 3 regional rail lines have informed RPA's support for the Northeast Corridor HSR and the Fourth Plan proposals for regional rail.
- Experiments with public-private partnership have informed proposals for similar initiatives in the Fourth Plan.
- The Thames Gateway project and its proposal for comprehensive reclamation of this entire former industrial and port landscape inspired RPA's Third Plan proposals for brownfield reclamation, the Union County brownfield demonstration project, and RPA's advocacy for brownfield reform legislation in all three states.
- The Thames Barrier, which has prevented storm surges from flooding Central London for more than three decades, has helped inspire RPA's interest in investigating the potential for

a similar movable barrier system to prevent flooding in New York Harbor and adjacent waters.

- The London Plan, which inspired RPA's advocacy for a similar strategic planning process for New York, led to the creation of the City's PlaNYC and One New York strategic plans.
- Restoration of London's St. Pancras and King's Cross railway stations and TfL's assertion that transportation facilities should aspire to create an "ennobling and exhilarating experience" for its patrons inspired RPA's proposal in 2014 that Madison Square Garden be relocated to permit reconstruction of New York's deplorable Pennsylvania Station.

### **How case studies in his book can inform RPA's Fourth Regional Plan**

While other global cities may not share London's similarities with New York, RPA believes that we can learn a lot from other places that share a common set of challenges. Further, RPA has long held the view that the global economy is not a zero-sum game where the success of one global city would be at the expense of others. For this reason, we are eager to learn from and share our insights with a new set of emerging global cities in developing and middle-income countries in Latin America, Africa, and Asia. With this goal in mind, RPA staff have participated in planning exchanges or projects in many of these places in recent years, including Mexico City, Bogota, São Paulo, Rio de Janeiro, Casablanca, Nairobi, Mumbai, Shanghai, Shenzhen, Guangzhou, and Beijing. And of course, we have built strong networks with

established global cities, including Paris, Tokyo, Hong Kong, and Singapore, and have adapted policy and investment innovations from these places.

We expect that the case studies included in this book will have a strong influence on RPA's emerging Fourth Regional Plan and its policy development and advocacy efforts in coming years. Following are some preliminary reflections on ways that this might occur.

***Government and civic leadership***

All of the success stories described in these case studies include accounts of effective government leadership, in many cases enabled or supported by civic leaders. While the role of civic groups is, as in the case study of the Melbourne Committee, to “aim high and stay the course, taking visionary positions based on the data,” there is no substitute for strong leadership from elected and appointed government officials in advance a regional agenda. Lagos' experience demonstrates that this leadership can come from officials at different levels, in this case, from the state governor. And Lagos' success story also demonstrates that even relatively poor places can take effective steps to create wealth and improve the lives of their citizens.

***Establishing new regional authorities and institutions***

Several cities chronicled in this book have created new government agencies to address critical needs. Many of these, including Toronto's Lakefront Commission and Lagos' new transportation authority, have been established to promote projects and policies that cross political boundaries. Learning from these precedents, RPA is now proposing that a new Regional Resilience Commission be established to advance a region-wide flood prevention program. RPA has also led efforts in recent years to establish regional commissions or collaborations for special landscapes and natural resource systems, including the Long Island Central Pine Barrens Commission, the New Jersey Highlands Council, and the New York City Watershed Agreement. Collectively, these institutions will ensure that the region's surface- and

groundwater systems will provide high-quality potable water to the whole region into the indefinite future.

### ***Reinventing existing public institutions***

One of the common themes emerging from these case studies is that everywhere, world cities are reinventing public institutions to address pressing regional concerns. In New York and elsewhere, long established bureaucracies such as our Port Authority and MTA have become arteriosclerotic. These institutions need to be periodically refreshed or shaken up. Examples include the establishment of Transport for London or San Francisco's Association of Bay Area Governments' steps to take responsibility for coordinating regional implementation of California's new climate plan. In some places, notably Toronto, the reinvention of regional agencies is an ongoing process, undergoing several iterations of governmental reform. These models will inform and inspire RPA's Fourth Plan proposals for the fundamental reform of New York's MTA and Port Authority.

### ***Creative partnerships between government and civic leaders***

Another theme in many of these case studies is the willingness of government officials to partner with civic groups, and in some cases, to delegate government responsibility to civic leaders. The Committee for Melbourne, the Bay Area Council, and other groups exemplify this role. RPA has long played a similar role in New York.

But some of the innovations described in this book take additional steps to create effective civic-government partnerships. One example is ABAG's partnership with (and in some cases funding for) the work of its highly effective and well-organized civic partners in the Bay Area, including SPUR, the Bay Area Council, and the Greenbelt Alliance, to advance its One Bay Plan. In the Bay Area, ABAG's partnership with these groups has established broad public support for regional and local governments' plans to accommodate growth in planned development areas (PDAs) and to preserve important environmental areas in designated

planned conservation areas (PCAs) to achieve the Bay Area's regional climate goals and housing and conservation objectives.

These precedents suggest that civic–government collaborations can and should move to a new and more advanced level in New York and other global cities. But achieving this level of civic and public engagement is never easy. (And indeed, recent friction between the leaders of ABAG and the Metropolitan Transportation Authority underscores the need for ongoing civic collaborations.) RPA has found over the years that many elected officials are reluctant to engage the public civic leadership, fearing loss of control. And although it may seem counterintuitive to mayors and governors, RPA has argued that by creating these partnerships, these officials can actually gain control by enlisting and gaining public support for their initiatives that can outlive the administrations of term-limited elected officials.

One illustration of the difficulties and rewards of creating civic partnerships with government is New York's Empire State Transportation Alliance (ESTA). For nearly two decades, beginning in 1997, RPA led ESTA, a coalition of more than 30 business, civic, environmental and transportation advocacy groups that built support for the investment of more than \$100 billion in the MTA's capital program.

Collaboration between ESTA on the one hand and the MTA's leadership and state officials on the other wasn't always easy. But in the end, ESTA's advocacy efforts helped the state and MTA secure funding for these essential investments in sustaining and expanding the region's mass transit system. The renewal of this system underpinned New York's remarkable transformation during this period from a place that was in deep trouble to a city and region with a bright future.

### ***Effective national governments***

Many of the global cities chronicled in this book, including London and São Paulo, have benefited from effective collaborations with national governments. In contrast, America's

federal government has largely abrogated its responsibility for creating and implementing a comprehensive national urban strategy. In many ways, the federal government's—and the US Congress's—attitude toward New York can still be summarized in the famous 1975 New York Daily News headline, “Ford to NY: Drop Dead,” published when then-President Gerald Ford refused to help the city during its fiscal crisis. Many federal agencies and procedures have become ossified and constrained by complex regulatory requirements that add to the cost of and delay the delivery of federally funded projects.

National governments tend to take a special interest in their national capital cities—although not always; the current US Congress recently scorned Washington's requests for help in rebuilding its deteriorated metro system. In London, Paris, Tokyo, and other cities, however, national governments pay special attention to the seats of government. In London, for example, the UK's highly centralized national government has delegated significant authority to the newly established Greater London Authority and partnered in funding its big projects, including the 2012 Olympics, the Thames Gateway project, and Cross rail.

Illustrating this role was Bob Kiley's experience as TfL's first chief executive. He once commented to the author, regarding the UK central government's strong interest in London's and TfL's affairs, that “when the Northern Line went down one of the first calls was from 10 Downing Street.” In contrast, he went on to remark that “ever in my many years as Chairman of New York's MTA did I ever get a call from the White House when the Lex (the Lexington Avenue Subway) went down.”

In New York and many other global cities, national governments are at best uninterested in urban affairs or are poorly organized to assist local leaders with important public initiatives. The case studies in this book underscore just how it is important that global cities have an active

partnership with national governments, including national funding or cost-sharing for major infrastructure projects.

### **Concluding thoughts**

Ed Blakely's ambitious goal for this book was that it serves as a handbook for a new generation of civic and government leaders engaged in planning and managing the future of global cities—and in particular for emerging global cities. In many ways, not only the well-being of these cities themselves but indeed the future of the planet and our civilization depends on their success in organizing their growth and development so that it will be possible to achieve global carbon reduction and climate adaptation goals.

Ed has provided extraordinary leadership in organizing and motivating a group of busy scholars and civic leaders from around the world to prepare these case studies and in editing their work. The result is this compelling account of success stories in civic engagement and government leadership from a diverse array of twenty-first-century global cities. He has succeeded admirably in his goal and deserves the gratitude of every civic and government leader who is wrestling with the enormous challenges facing all of these places.

As a sailor who has spent a lifetime navigating in the hazy conditions that often characterize the New England coast, I learned, particularly in the days before GPS and electronic chart plotters, that if you stay more or less on the course, the navigation aids will always appear over the horizon. They will guide your way to the next waypoint and eventually to safe harbor. So we have to use books like this as our GPS.

I know that the case studies in the book, along with Ed's profound commentary, will provide some of these waypoints for my colleagues at RPA in completing a visionary and influential Fourth Regional Plan for New York. And I hope this book will also help the next generation of civic and government leaders from both established and emerging global cities as they chart a course for the future of these complex places, in New York and all major megaregions

worldwide, in which the well-being of hundreds of millions of people from this and future generations will depend on what happens next-.

## Endnotes

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1. The **Lincoln Institute of Land Policy** is an independent, nonpartisan organization whose mission is to help solve global economic, social, and environmental challenges <sup>1</sup> <https://www.lincolninst.edu>

## Chapter 1: Introduction

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## Chapter 2: Chicago

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- <sup>22</sup> World Business Chicago, p. 7.
- <sup>23</sup> Underclass book
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- <sup>31</sup> Dogan, M. and Kasarda, J.D., eds. 1988. *The Metropolis Era: A World of Giant Cities*, Vol. 1. Newbury Park, C.A.: Sage.
- <sup>32</sup> United Nations. 2011. *UN Habitat Administrative Report on Lagos..* p. 15.
- <sup>33</sup> This thinking influenced his relationship with the bureaucracy (Oyelaran-Oyeyinka 2006 p.).
- <sup>34</sup> Ibid.
- <sup>35</sup> (Olowu, 1990:93)
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- <sup>38</sup> United Nations, *Lagos*. p. 20.

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<sup>42</sup> Hall, P. and Green, N. 2005. Commuting and definition of functional urban regions: South East England: *POLYNET Action 1.1 Report* [online]. Available at: [http://www.polynet.org.uk/docs/1\\_1\\_see.pdf](http://www.polynet.org.uk/docs/1_1_see.pdf)

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<sup>44</sup> Hall and Green, op. cit.

<sup>45</sup> Uniting Britain: Spatial Structure and Key drivers: C. Wong et al.: The Royal Town Planning Institute. Available at: <http://www.rtpi.org.uk/media/6003/Uniting-Britain.pdf>

<sup>46</sup> Op cit.

<sup>47</sup> John et al. (2005)

<sup>48</sup> South East Regional Planning Conference. Refer to Robin Thompson's chapter.

<sup>49</sup> Sustainable Communities Building for the Future: DCLG 2003: <http://www.communities.gov.uk/documents/communities/pdf/146289.pdf>

<sup>50</sup> These were subsequently added to

<sup>51</sup> Ibid., p. 96 and footnote 23, Keith Dowding, *Power* (Open University Press, 1996).

<sup>52</sup> *London Plan: Spatial Development Strategy for Greater London*. February 2004. Section 5C.

<sup>53</sup> *London Plan: Spatial Development Strategy for Greater London*. October 2009.

<sup>54</sup> That is, more than a traditional land use development planning approach.

<sup>55</sup> Clark, G. and Moonen, T. 2012. "London 1991–2021: The building of a world city." *The Honor Chapman Report* [online], Available at: [http://www.rtpi.org.uk/media/11802/greg\\_clark\\_book\\_2012\\_june\\_hc\\_london\\_final\\_09\\_05\\_2012.pdf](http://www.rtpi.org.uk/media/11802/greg_clark_book_2012_june_hc_london_final_09_05_2012.pdf)

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<sup>57</sup> This is the overarching development plan for London, which is a statutory planning document.

<sup>58</sup> Sustainable Communities: Building for the Future: DCLG 2003: <http://www.communities.gov.uk/documents/communities/pdf/146289.pdf>

<sup>59</sup> 80% of the 200,000 new homes anticipated to be provided in the four growth areas over and above those already planned.

<sup>60</sup> See next paragraph.

<sup>61</sup> Refer to The London Thames Gateway Development Corporation (Planning Functions) Order 2005 (S.I. 2005/2721).

<sup>62</sup> Ibid., p. 93.

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<sup>64</sup> Allmendinger, P. and Haughton, G. 2009. "Soft spaces, fuzzy boundaries, and metagovernance: the new spatial planning in the Thames Gateway," *Environment and Planning A*, 41(3), pp. 617–633.

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<sup>66</sup> Ibid., p. 621.

<sup>67</sup> Ibid., p. 622.

<sup>68</sup> Ibid., p. 629.

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<sup>74</sup> SPUR. September 2003. "Bay Area regionalism - Can we get there?" September issue of the SPUR newsletter.

<sup>75</sup> Dyble, L.N. 2012. "The defeat of the Golden Gate Authority: Regional planning and local power," *Access Magazine*, 40, pp. 16–22. Available at: [http://www.uctc.net/access/40/access40\\_defeatofgg.pdf](http://www.uctc.net/access/40/access40_defeatofgg.pdf)

<sup>76</sup> Joseph E. Bodovitz is the former executive director of the San Francisco Bay Conservation and Development Commission, the California Coastal Commission, and the CPUC.

<sup>77</sup> Fink, I. 1982. *UC Housing Study 1982*

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