

# URBAN AGE SOUTH AMERICA CONFERENCE

## DECEMBER 2008

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*Governance and City Making in South America*

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# Governance and City Making in South America

Eduardo Rojas  
Inter American Development Bank



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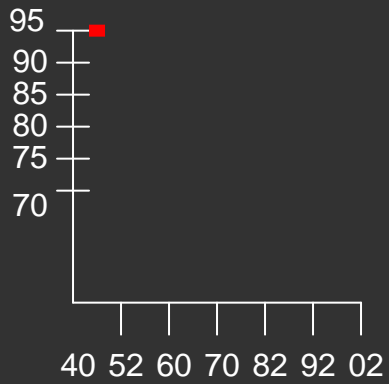
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# the metropolitan explosion



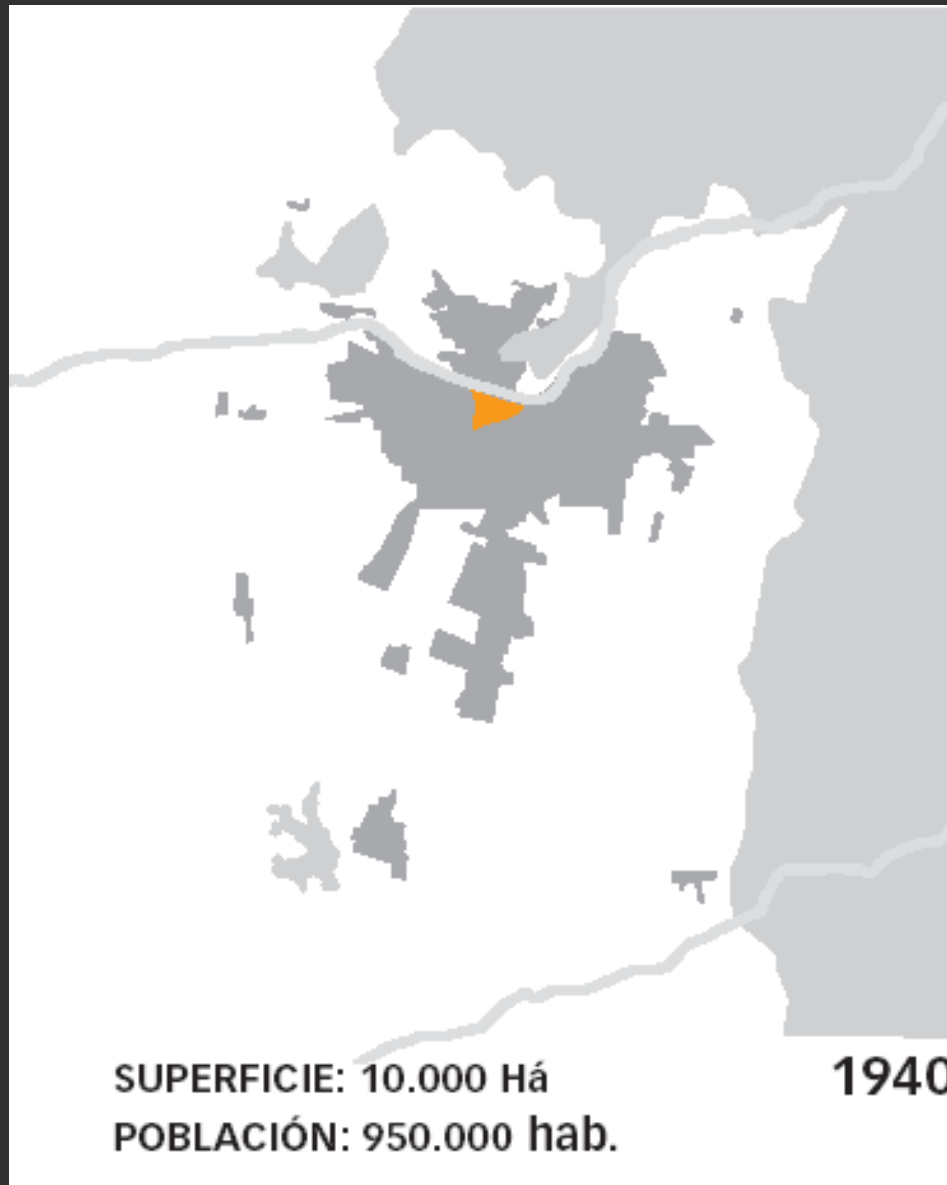
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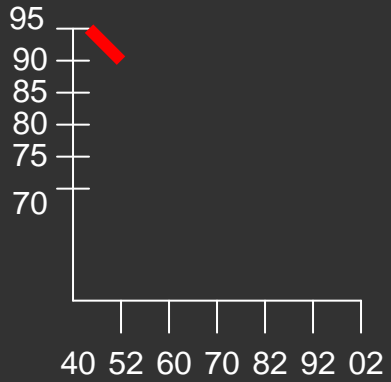
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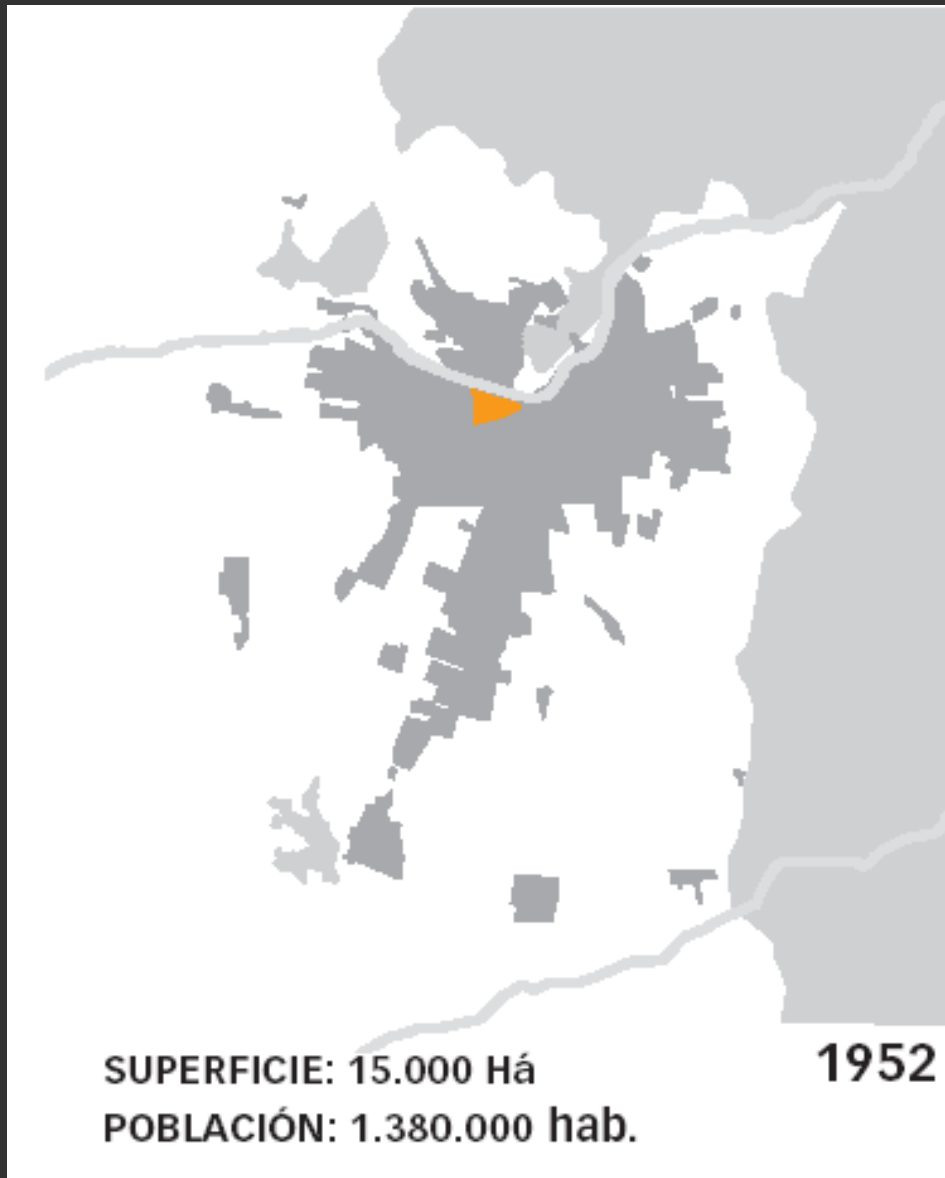
Average density

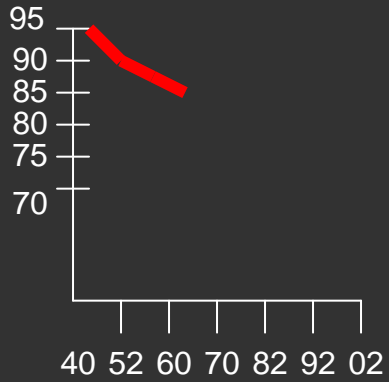
# Santiago



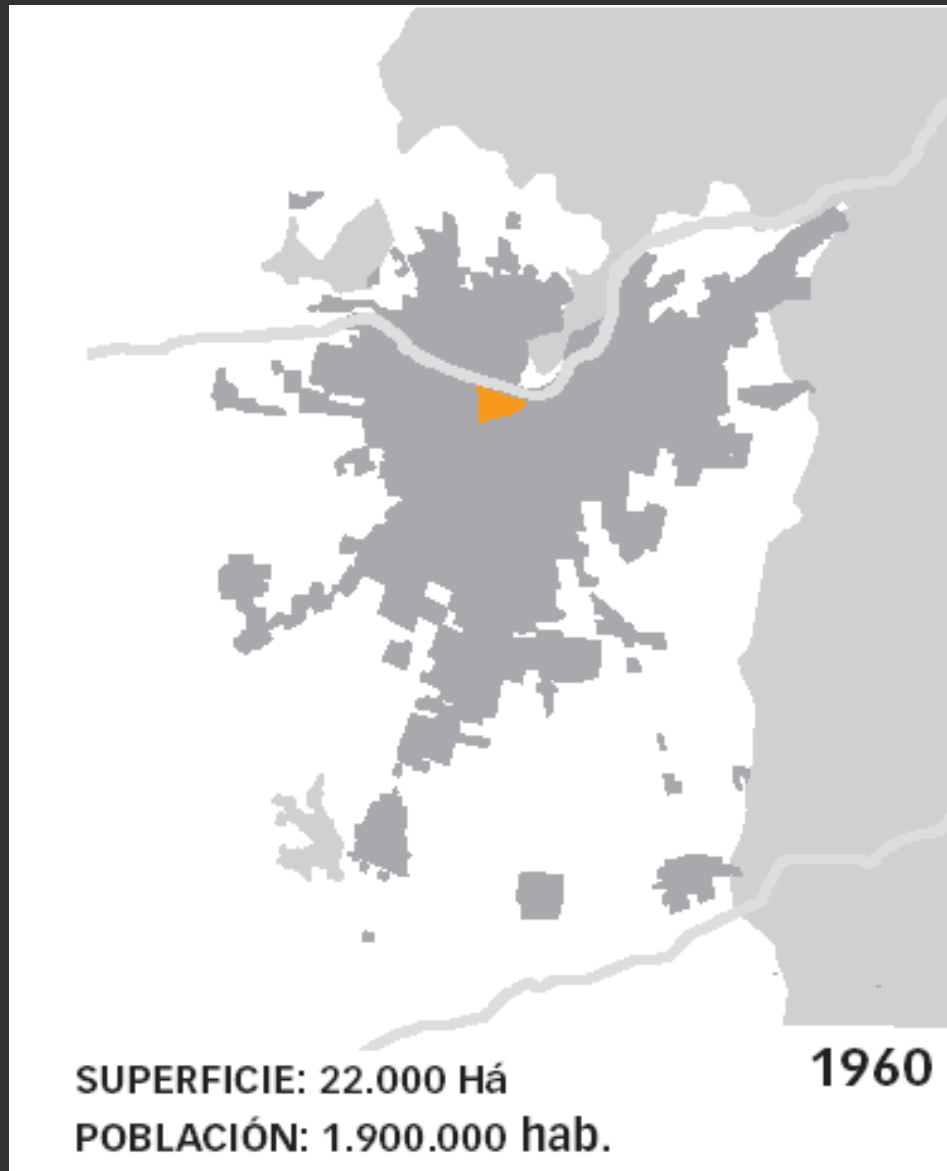


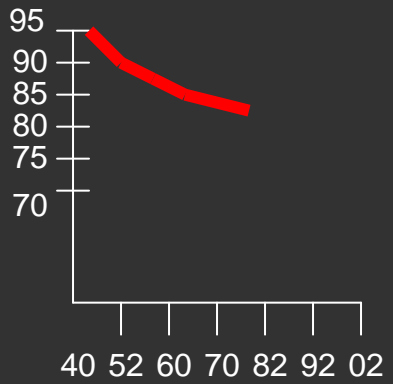
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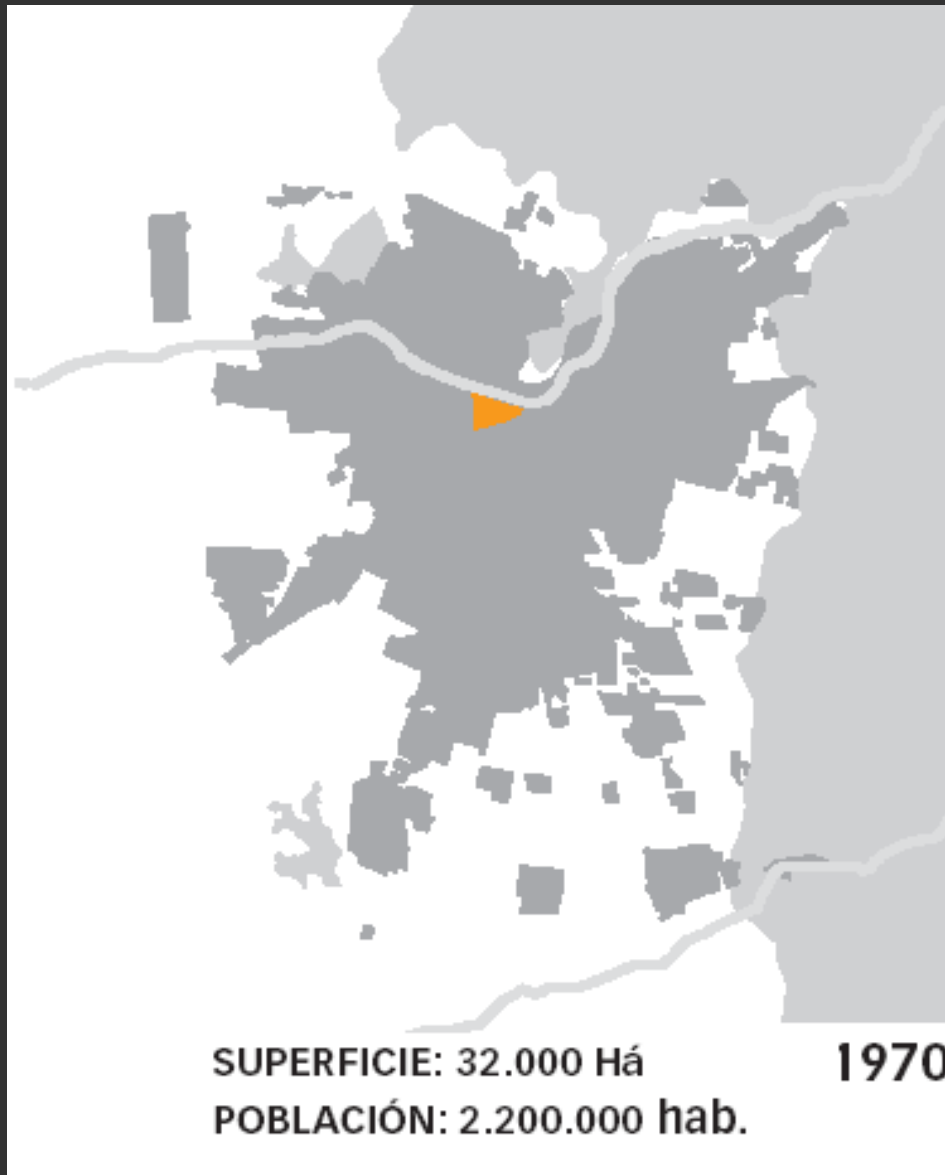


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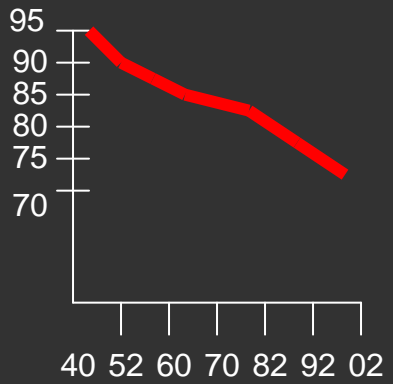




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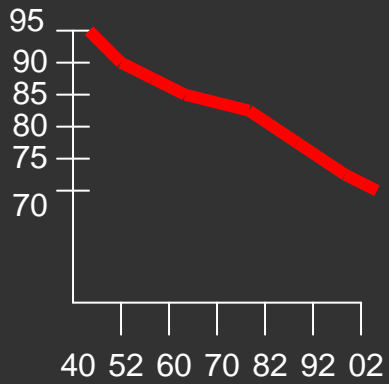






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Average density



## Metropolitan areas

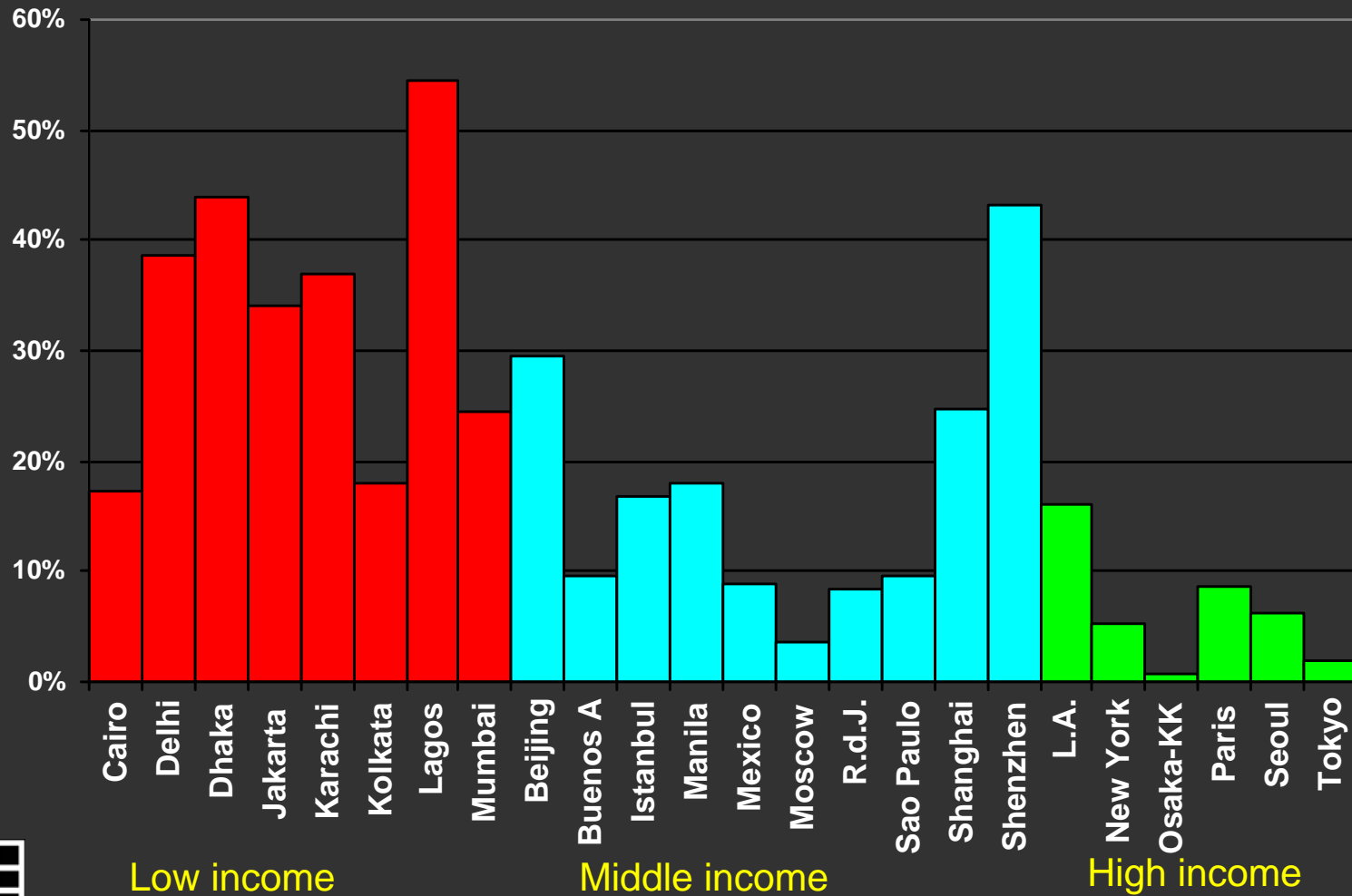
Economies that operate on a space that is under the jurisdiction of more than one local authority



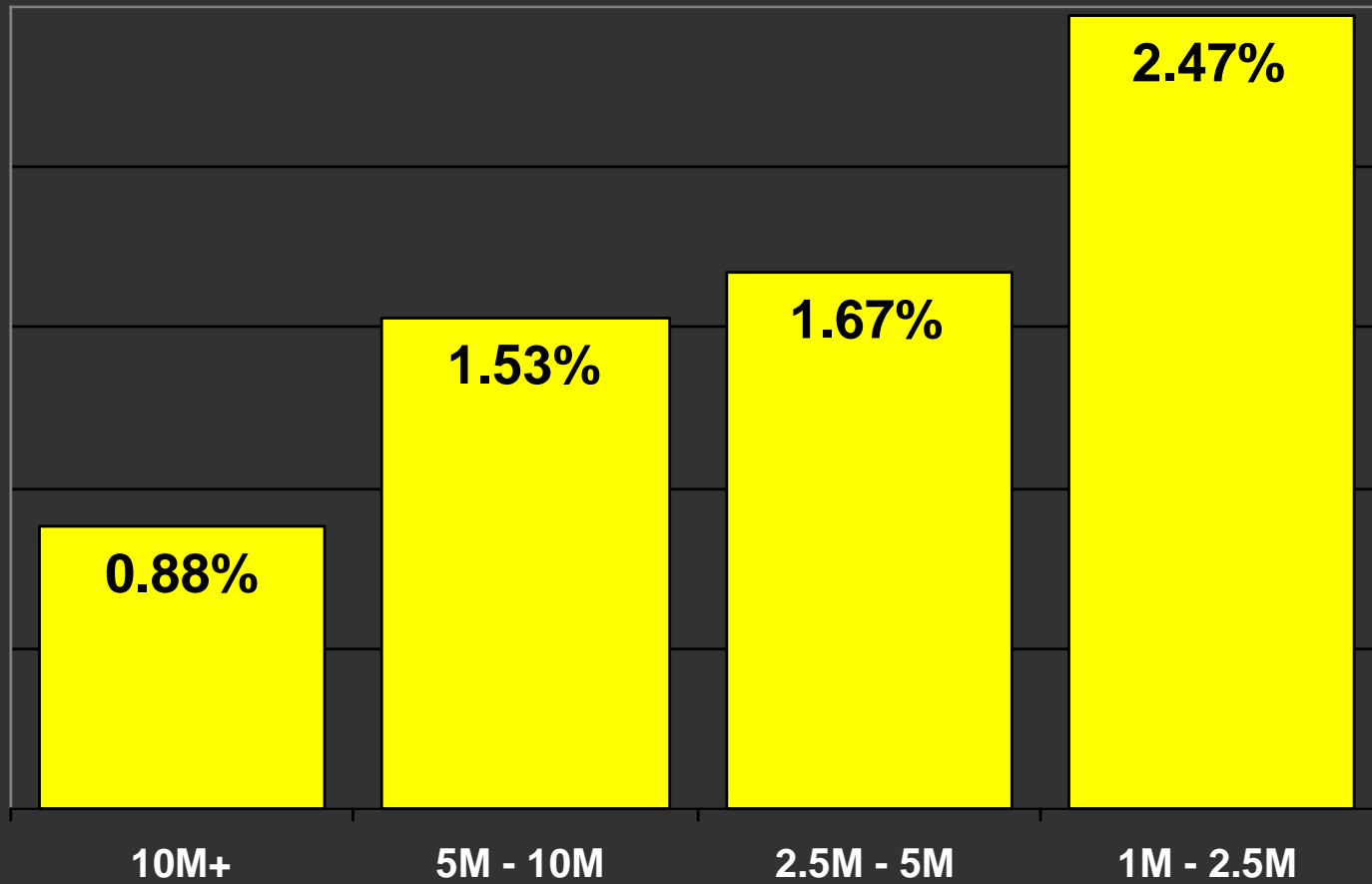
Country	Metropolitan area	Number of municipalities
Brazil	Sao Paulo	39
	Rio de Janeiro	18
	Belo Horizonte	23
	Curitiba	23
Argentina	Buenos Aires	44
	Córdoba	2
	Rosario	8
Chile	Santiago	37
	Valparaíso	8
Bolivia	La Paz-El Alto	2
Paraguay	Asunción	7
Uruguay	Montevideo	3



# Mega cities population growth 2005-2015 projections



# Population growth projections by city size 2005 - 2015



## Latin America high growth urban areas 2005 - 2015

Rane	Urban area	Country	Population 2003 millions	Annual growth rate
1	Santa Cruz	Bolivia	1.2	3.83%
2	Toluca	Mexico	1.8	3.65%
3	Port-au-Prince	Haiti	2.0	2.90%
4	Asunción	Paraguay	1.6	2.83%
5	Brasília	Brazil	3.1	2.79%
6	Valencia	Venezuela	2.2	2.73%
7	Manaus	Brazil	1.6	2.65%
8	Managua	Nicaragua	1.1	2.62%
9	Belém	Brazil	2.0	2.60%
10	Maceió	Brazil	1.1	2.57%



## Latin America low growth urban areas 2005 - 2015

Rango	Área urbana	País	Población 2003	Tasa anual de crecimiento
45	Torreón	Mexico	1.0	0.98%
46	Caracas	Venezuela	3.2	0.98%
47	São Paulo	Brazil	17.9	0.93%
48	Buenos Aires	Argentina	13.0	0.92%
49	Mexico City	Mexico	18.7	0.85%
50	Rio de Janeiro	Brazil	11.2	0.82%
51	Puebla	Mexico	1.9	0.48%
52	Montevideo	Uruguay	1.3	0.44%
53	San Juan	Puerto Rico	2.3	0.23%
54	Havana	Cuba	2.2	0.04%





## Economic importance of metropolitan areas in the Southern Cone 2002–2005

Country	Metropolitan area	Population (in millions)	Country GDP (%)
Brazil	Sao Paulo	16.7	30
Argentina	Buenos Aires	11.5	45
Chile	Santiago	6.1	59
Uruguay	Montevideo	1.8	66



# decentralization and democratization of local government impacts on metropolitan management



# Management of metropolitan areas takes place in a decentralized and democratic local government framework

Federal system countries  
Argentina, Brazil, México

Unitary countries with decentralization processes  
Colombia, Chile, Ecuador,



**Decentralization** is the transfer of power and decision making capacity from the politicians (and their dependent bureaucracies) elected at the national level, to politicians (and their dependent bureaucracies) elected at the local level



## Levels of Decentralization by Country

Emphasis of decentralization effort	Level of decentralization (percent of public expenditures accounted for by subnational governments)		
	Over 20%	Between 10 and 20%	Less than 10%
Intermediate level (states and provinces)	Argentina (49.3) Brazil (47.0) Mexico (31.8) Venezuela (27.0)	Peru (19.0)	
Local level (municipalities)	Colombia (44.7) Bolivia (25.1)	Ecuador (17.5) Uruguay (13.7) Chile (12.8) Honduras (12.3) Guatemala (10.3)	Paraguay (4.0) El Salvador (5.1) Nicaragua (5.0) Panama (1.0) Costa Rica (3.1)



# Democratic elections of municipal government executives

## MUNICIPAL LEVEL





	Before 1980	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AR					★																						
BA	★ 1966																										
BH	★ 1973																										
BE			★																								
BO							★																				
BR							★																				
CH												★															
CO	★ 1958																										
CR	★ 1949																										
DR	★ 1966																										
EC	★ 1979																										
ES						★																					
GU							★																				
GY	★ 1966																										
HO				★																							
JA	★ 1962																										
ME	★ 1917																										
NI												★															
PE			★																								
PN												★															
PY											★																
SU										★																	
TT	★ 1962																										
UY							★																				
VE	★ 1958																										



# Democratic elections of intermediate government executives

## INTERMEDIATE LEVEL (States, Provinces, Departments, Regions)

	Before 1980	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AR					★																						
BA	★ 1966																										
BH	★ 1973																										
BE			★																								
BO							★																				
BR							★																				
CH												★															
CO	★ 1958																										
CR	★ 1949																										
DR	★ 1966																										
EC	★ 1979																										
ES						★																					
GU							★																				
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SU										★																	
TT	★ 1962																										
UY								★																			
VE	★ 1958																										

-  Municipal government CEOs are directly or indirectly elected
-  Intermediate government CEOs are directly or indirectly elected
-  Level of government does not exist at all
-  Year of democratic transition



## Decentralized democracies

### Information advantage

local politicians and bureaucrats have a better knowledge of local needs than their national or regional counterparts  
losses

### Incentive advantage

local politicians have the reelection incentive to promote  
the development and well-being of their  
constituencies





### technical disadvantage

although local governments have a better knowledge of local issues than central government entities, they may not be capable of solving them

### size disadvantage

there is a misalignment between the territorial dimension of social and economic problems and the territory under the jurisdiction of the institutions engaged in the management of metropolitan affairs



## decentralization in practice

reforms often shoot at the wrong target from the **metropolitan** point of view.

reinforce **municipalities**, that are **too small** to tackle these problems, and the **states**, that are **too big**.



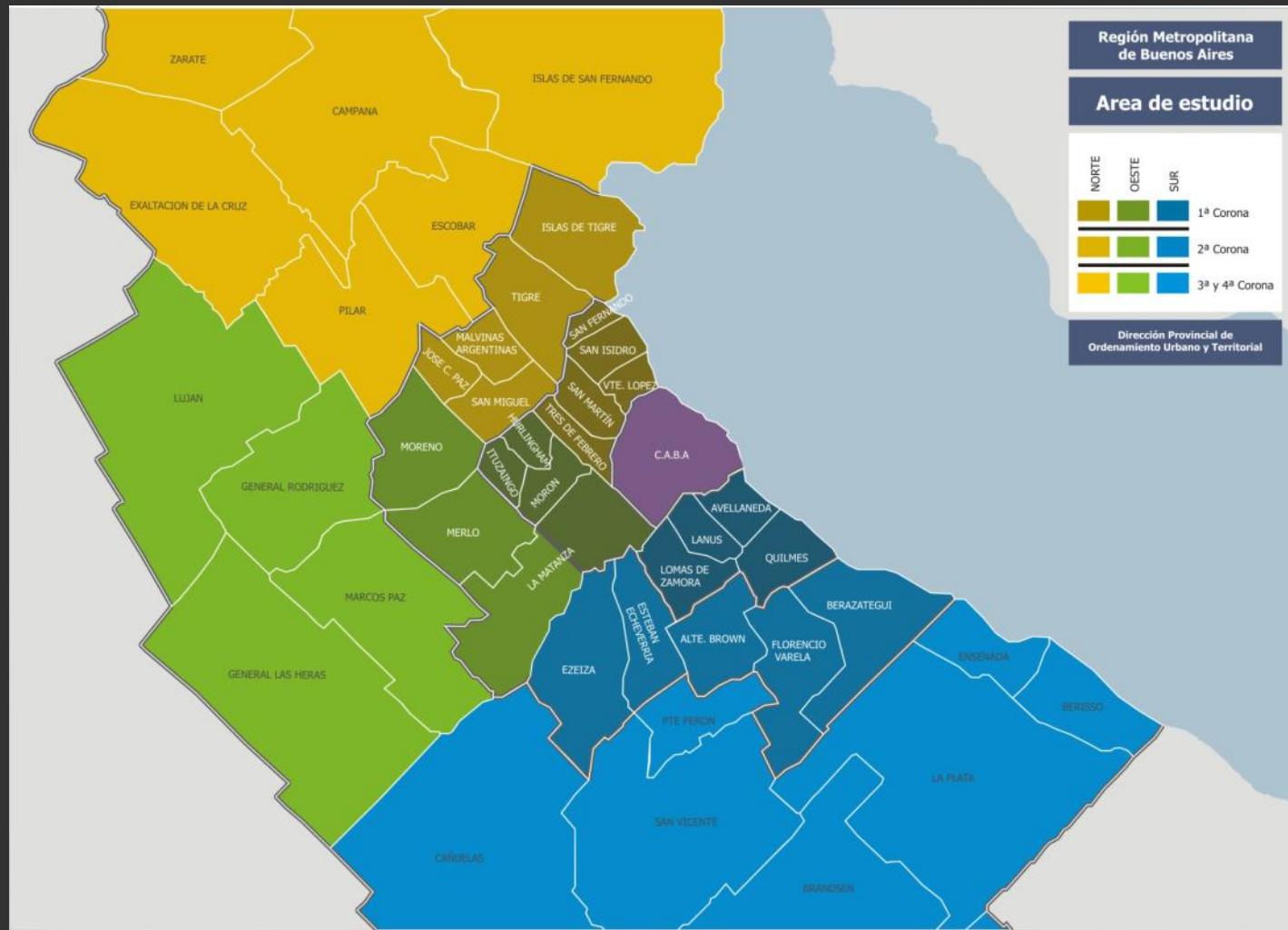
## fragmentation of metropolitan management in Latin America



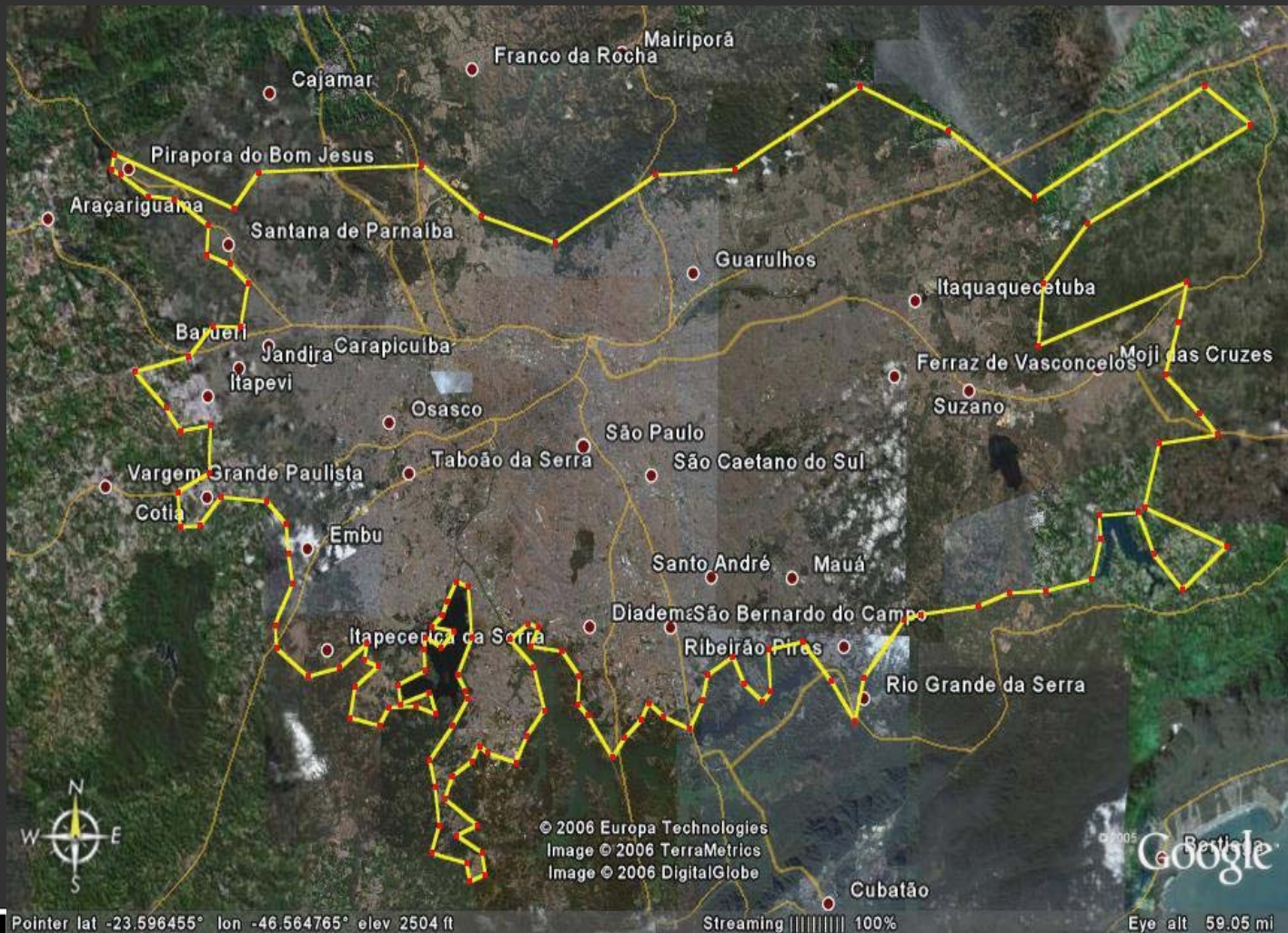
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# Buenos Aires Local Government Jurisdiction



# Sao Paulo Local Government Jurisdiction



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- The dilemma is to attain an **optimal assignment** of public responsibilities
- Effectiveness to satisfy **heterogeneous** preferences
- Local democracy, **autonomy** with efficiency
- Stability and horizontal **equilibrium**



# metropolitan management, a challenge



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## governance of a territory

The process of organizing, coordinating and fostering cooperation among public, social, and economic actors in the territory to define and implement territorial development policies

### metropolitan governance

impacts the **quantity** and **quality** of the services provided to the population and enterprises

affects the **efficiency** in service delivery

determines how the **costs** of service provision are **distributed** among the different territorial jurisdictions

impacts the citizens **access** to government decision making and the **accountability** of elected officials



## In Latin America, metropolitan areas

- Face growing social, economic, urban and environmental problems  
but
- Have functionally and sartorially fragmented management structures
- Lack institutional arrangements for coordinated action  
and
- Do not have shared long term vision supporting integrated  
planning and implementation



## Coordinating services in the territory

- **Transportation:** the need to coordinate services in the territory of the agglomeration and distribute the costs equitably among beneficiaries (population and territory)
- **Sanitation:** equalize service standards in the territory and place waste treatment plants
- **Citizen safety:** promote homogenous safety services in the territory
- **Social services:** provide services to all the population and distribute the costs equitably among beneficiaries



transportation



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## Buenos Aires, effective size of labor markets

time	Percent of labor market		
	public transportation	automobile	average
45 minutes	23	87	55
50	29	91	60
60	44	97	70
70	59	99	79
75	66	99	82
90	81	100	90



environment



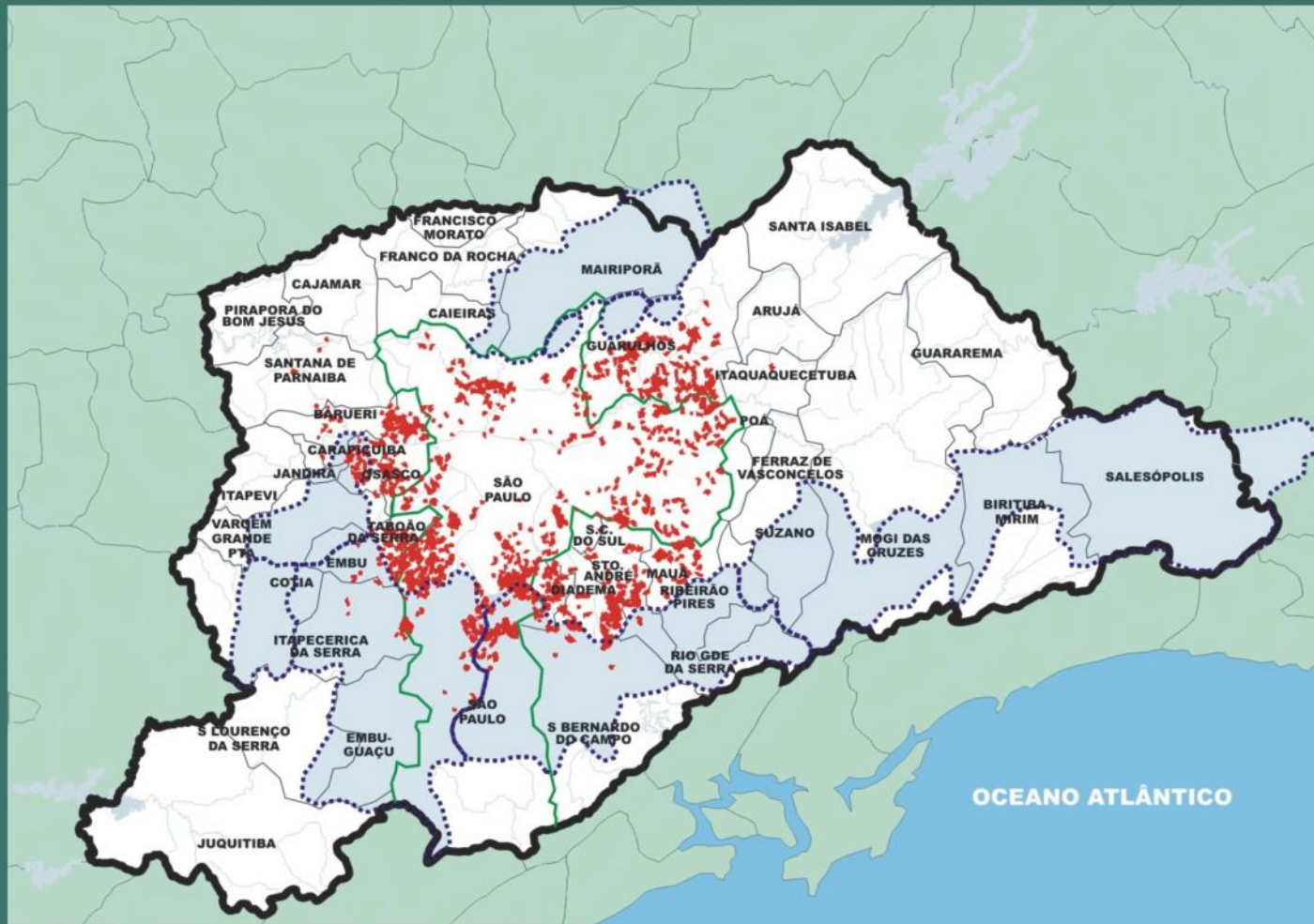
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FAVELAS / SETORES  
SUBNORMAIS



MANANCIAS



**Habitação Social :**  
urbanização de  
favelas  
(GESP/CDHU,  
prefeituras, União  
(recursos do PAC),  
empréstimos  
internacionais  
(BIRD, BID)  
800 a 900 mil  
habitantes

**Habitação de  
Mercado:**  
melhorias nas  
condições de  
financiamento com  
prolongamento de  
prazos de  
financiamento e  
redução da taxa de  
juros.

sprawl

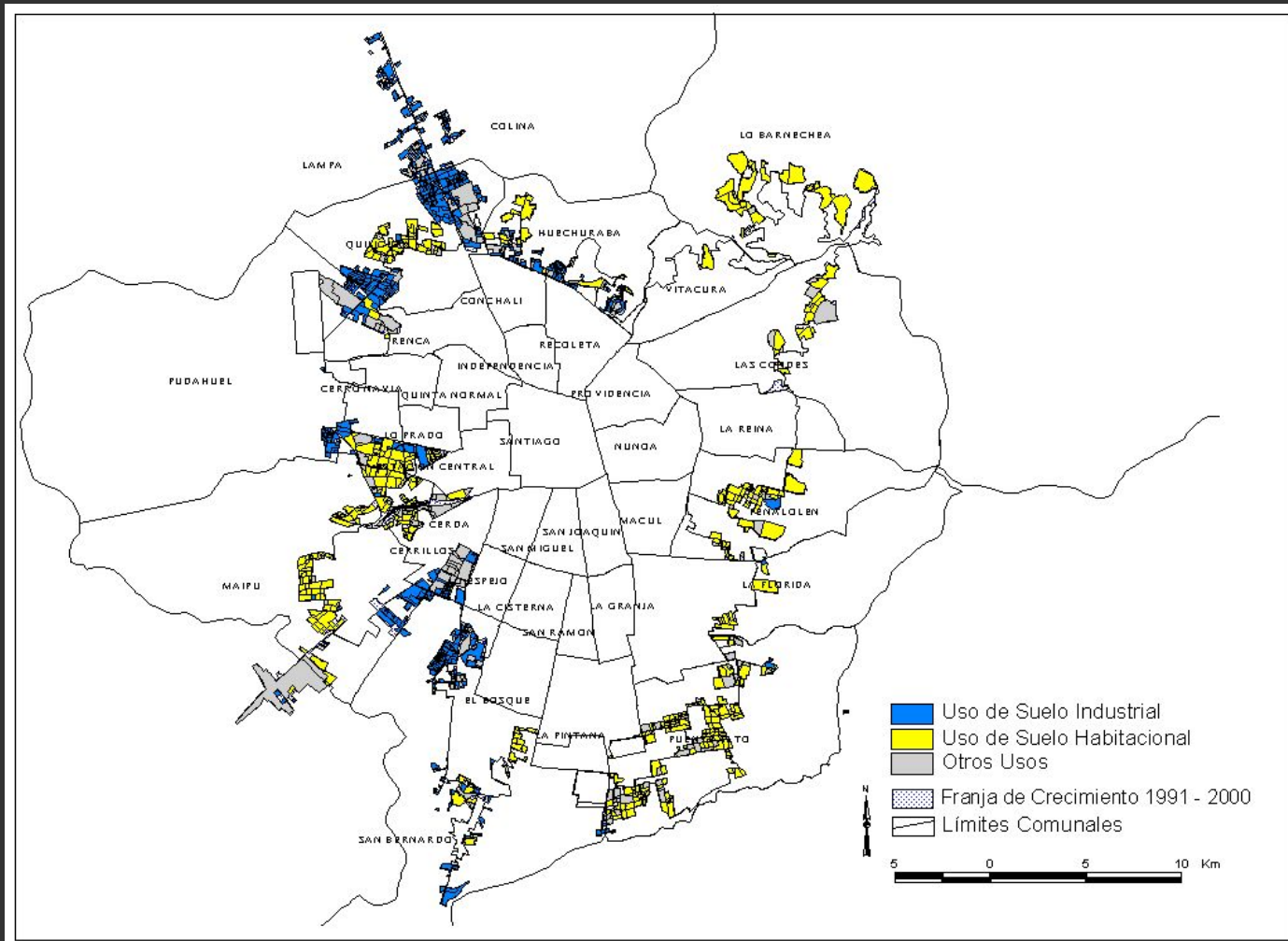


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# Santiago



# Sao Paulo

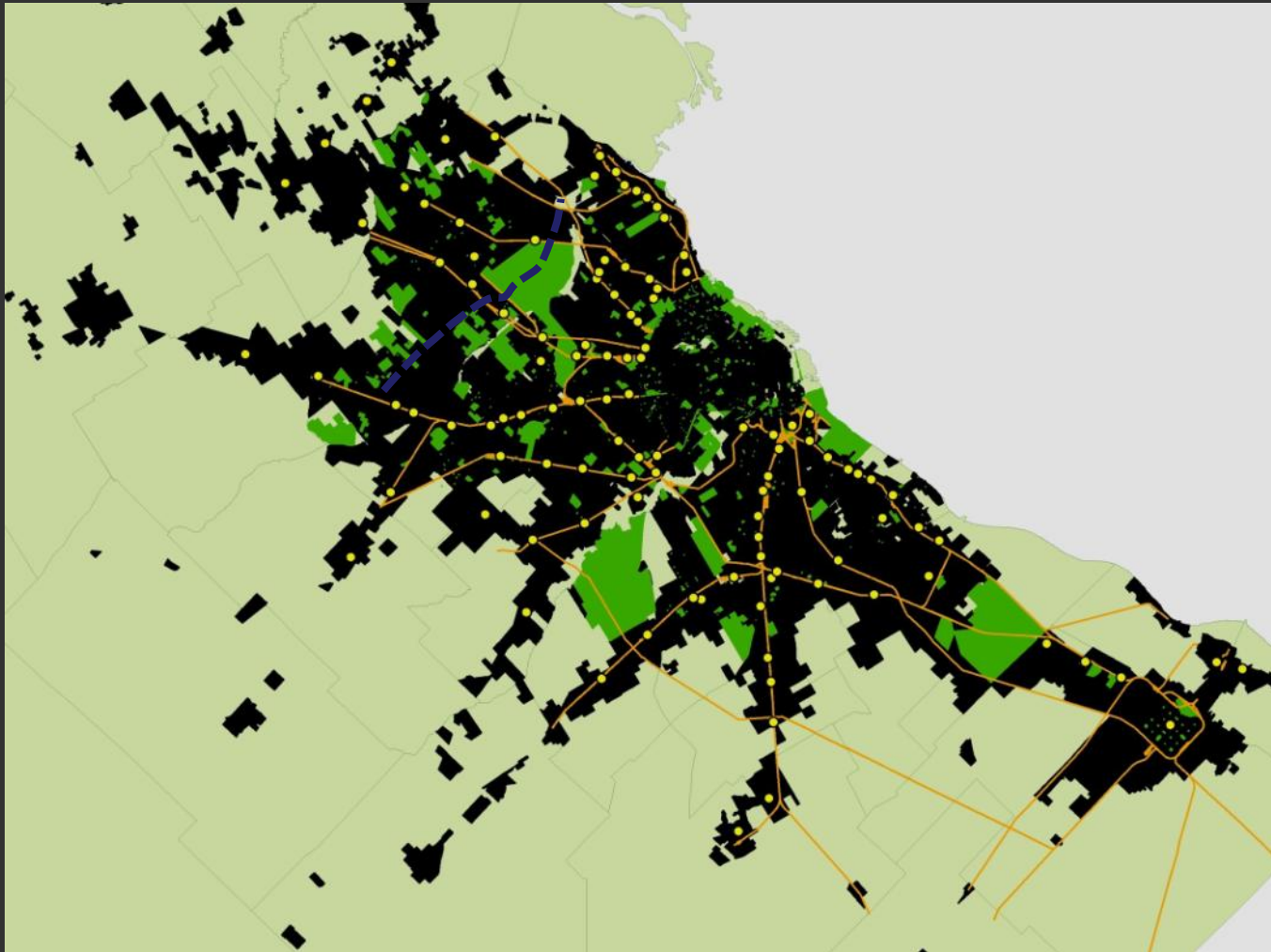
QuickTime™ and a  
decompressor  
are needed to see this picture.



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# Buenos Aires



downtown



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the periphery



Moreno

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gated communities



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# social housing



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# metropolitan management, opportunities



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## Good metropolitan management requires

- **Governance**
  - Clear responsibilities
  - Voice
  - Transparency
- **Financing**
  - Self financing capacity
  - Autonomy in the use of resources
- **Institutional**
  - Provide services
  - Capture resources
  - Accountability



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## assignment of responsibilities



## Santiago Metropolitan Region. Assignment of responsibility

Metropolitan service		Level of government		
		National	Regional	Local
Transportation	Trunk roads	Ministry of Public Works		
	Main roads		Regional Secretariat of the Ministry of Housing and Urban Development	
	Local roads			Municipality
	Public transportation	Ministry of Transportation		
	Traffic			Traffic Department
Environment	Pollution	National Environmental Commission	Regional Environmental Commission	
	Waste management		Association of Municipalities	Municipalities
	Drainage	Ministry of Public Works		
Land use planning	Metropolitan		Ministry of Housing and Urban Development	
	Local			Municipal Planning Department
Citizen safety	Metropolitan	Ministry of the Interior		
	Local	Ministry of the Interior		



# decision making bodies



## Santiago Metropolitan Region. Decision making responsibility

Government institution		Level of government		
		National	Regional	Local
Executive	Head	President	Regional Executive	Mayor 37 mayors
	Line ministries	Public Works		
		Housing and Urban Development		
		Transportation		
		Interior		
Legislative	Assembly	Senate 38 senators	Regional Development Council 16 counselors	Council 225 council members
		Deputies 120 deputies		

Local level

262 elected officials at the local level

Regional level

16 elected officials + 1 designated executive

National level

159 elected officials + 5 designated ministers



# Buenos Aires Metropolitan Area

QuickTime™ and a  
decompressor  
are needed to see this picture.



## Buenos Aires Metropolitan Area. Decision making responsibility

Government institutions		Level of government			
		Federal	Provincial		Municipal
			Buenos Aires Province	City of Buenos Aires	
Executive	Head	President	Government Head	Governor	Mayor 42 mayors
		Vice President	Government Deputy Head	Vice Governor	
Legislative	Assembly	Senate 72 senators	Senate 48 senators	60 legislators	Council 780 council members
		Deputies 256 deputies	Deputies 91 deputies		

Local level

822 elected officials

Provincial level

203 elected officials + 11 designated executives

National level

330 elected officials + 5 designated executives





options



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# Metropolitan management models

## Single tier model:

- fragmented local governments
- consolidated local governments  
by annexation or amalgamation

## Two tier model:

- metropolitan authority and local governments  
with complementary functions
- functional metropolitan entities and local governments

## Voluntary cooperation:

- special purpose districts
- metropolitan service enterprises



## Models of metropolitan management

Types of metropolitan arrangements	Territory coincides with metro area	Own resources	Multipurpose	Political legitimacy	Examples
Metropolitan government (single level)	YES	YES	YES	DIRECT	Greater London Council
Inermunicipal authorities (two level)	YES	YES	YES	INDIRECT	C.U. and C.A. France
		NO	YES	INDIRECT	CMM
Single function metropolitan authorities	YES	NO	NO	INDIRECT 0	Transit federations Germany
	YES	Someties	NO	Direct or indirect	Special districts USA.
Intermunicipal authorities	NO	NO	YES	INDIRECT	Bay Area USA
	NO	NO	NO	INDIRECT	ABC Sao Paulo



## Single tier model

### Fragmented local governments

Inefficient

Opaque

### Consolidation into one metropolitan government

Possibly too big to be efficient

Too big to be politically viable



## Two tier model

metropolitan authority and local governments  
with complementary functions

efficient

politically difficult to establish

(complex reassignment of functions and resources)

functional metropolitan entities and local governments

efficient

politically easier to establish

(complex power sharing arrangements,  
the issue of the central city)



## Voluntary cooperation

### special purpose districts

synergies promote participation

complex financing issues when spillovers exist

### metropolitan service enterprises

facilitate power sharing

there are good examples in South America

SEASME (Buenos Aires) EMERES (Santiago)

in waste management



the process of building metropolitan management structures



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## Initial Situation:

fragmented local governments  
unsatisfied coordination needs





## First stage, built political legitimacy:

public awareness on issues and solutions  
construct legitimacy within the metropolitan area as a  
territory where community concerns can be heard.

## Voice

### Initial Situation:

fragmented local governments  
unsatisfied coordination needs



## Establishing the process, operational legitimacy

specialized service or management agencies  
amalgamation of inadequate jurisdictions

### Action

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## Consolidation institutional legitimacy

inter-jurisdiction coordination  
shared financing

## Governance

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where are we?



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# gaining awareness about metropolitan problems

## Metropolitan forum

### Sao Paulo

#### Camara do Gande ABC

Municipalities  
Corporations  
Organizations of the civil society

### Buenos Aires

#### Fundación Metropolitana

Corporations  
Universities  
Organizations of the Civil Society

### Montevideo

#### Agenda Metropolitana

Municipalities of Montevideo  
Canelones  
San José

Ministry of Urban Development

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## Creating metropolitan services enterprises

### Buenos Aires

**SEASME**

Servicio Ambiental y Sanitario Metropolitano

### Santiago

**EMERES**

Empresa Metropolitana de Residuo Sólidos



attaining metropolitan governances is



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the result of a long and complex process of consensus  
building to reform the:

assignment of responsibilities and the  
allocation of resources



the result of a long and complex process of consensus building to reform the:

assignment of responsibilities and  
The allocation of resources

in turn, the result of the willingness to reach:

political agreements

and

willingness to transfer resources and responsibility



the result of a long and complex process of consensus building to reform the:

assignment of responsibilities and the allocation of resources

in turn, the result of the willingness to reach:

political agreements and

willingness to transfer resources and responsibility

leading to establish a government structure to:

provide services capture recourses



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- assignment of responsibilities and the allocation of resources

in turn, the result of the willingness to reach:

- political agreements and

- willingness to transfer resources and responsibility

leading to establish a government structure to:

- provide services capture recourses

that requires:

- participation in decision-making transparency accountability



a long road to go



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a long road to go

bumpy





a long road to go

bumpy

but doable



a long road to go

bumpy

but doable

and urgent

