



UNITED  
NATIONS

**HSP**

**HSP/GC/20/4**



UN-HABITAT

**Governing Council  
of the United Nations Human  
Settlements Programme**

Distr. General  
21 December 2004

Original: English

**Twentieth session**

Nairobi, 4–8 April 2005

Item 5 (a) of the provisional agenda\*

**Special themes: involvement of civil society  
in improving local governance**

**Involvement of civil society in improving local governance**

*Summary*

The present theme paper highlights issues related to enhancing the involvement of civil society in local governance based on experience gathered by the United Nations Human Settlements Programme (UN-Habitat) of working with Governments and cities over the past 25 years. It highlights various initiatives undertaken in different parts of the world to promote civil society involvement through inclusive political processes and structures at the local level. While the obstacles and challenges are also examined, the paper underscores the fact that the long-term social and economic benefits of civil society involvement are larger than the costs. In conclusion, a number of issues for further consideration are highlighted.

---

\* HSP/GC/20/1.

K0473702 180205

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to meetings and not to request additional copies. This document is printed on environment friendly paper.

## **I. Background**

1. The Habitat Agenda and all the subsequent commitments made by the international community are categorical in asserting the important role of civil society in achieving adequate shelter for all and in promoting the sustainable development of human settlements. Indeed, running throughout the Agenda is the reiteration, almost in every chapter, of the critical necessity to consolidate a partnership between the public, private and civic sectors both in decision-making and implementation.
2. Four years after the “City Summit”, Heads of State and Government of the world reiterated their resolve to develop partnerships with civil society organizations in pursuit of development and poverty eradication, while adopting the Millennium Declaration in September 2000. The Millennium Assembly reaffirmed the commitment of world leaders to work collectively for more inclusive political processes, allowing genuine participation by all citizens in all countries. Later, at the special session of the General Assembly convened in June 2001 to review the implementation of the Habitat Agenda, representatives of Governments further pledged to strengthen institutions and legal frameworks that assist and allow broad-based participation in decision-making and in the implementation of human settlements strategies, policies and programmes. In that respect, they resolved to build capacities and networks to enable all partners to play an effective role. The cardinal principle of partnership and broad-based participation was further reaffirmed at the World Summit on Sustainable Development, held in September 2002, in the Johannesburg Declaration on Sustainable Development.
3. In May 2004, the founding congress of a unified world organization of local governments – United Cities and Local Governments – proposed to tackle a number of key issues including a deepening of local democracy. They asserted that increased participation was a demand of citizens and a means to find the legitimacy necessary for strengthening social relationships. They cited examples of a number of approaches that could be adopted to achieve that end.
4. There is no doubt that a broad global consensus exists on the necessity to involve civil society in the process of local governance. This commitment has been consistently reiterated at all major global forums in the past 10 years and in policy pronouncements at the national level. The present paper highlights some of the issues related to enhancing the involvement of civil society in local governance, based on experience gathered by UN-Habitat working with Governments and cities over the past 25 years as well as the experience of its partners. It attempts to highlight the approaches adopted, barriers encountered and modalities of overcoming them as deployed in various parts of the world.

## **II. Concept of civil society involvement**

5. While the principle of participation by civil society is generally accepted, its practical implications have tended to be rather complex. For some cities, the process of involvement has led to harnessing the latent force of the urban poor and asserting the citizenship of those who have been marginalized and excluded. In other cities, involvement by the population has been perceived not to be a critical necessity in achieving efficient and well-managed cities. Furthermore, impediments occurring in various cities, such as the growing phenomenon of migration that has led to increased diversity within cities, have rendered it even more difficult to foster an all-inclusive involvement of civil society. At the same time, in a number of cases, participatory processes have not been deep enough to alter the prevailing elitism in local leadership and the dominance of techno-bureaucratic administration. As a result, the voice of the poor often remains marginalized in local decision-making.

### **A. Sphere of civil society**

6. It is appropriate at this juncture to demarcate the sphere referred to as “civil society”. While there are many definitions, for the purposes of the present theme paper, the dimensions highlighted in the UN-Habitat Global Report on Human Settlements for 2003 serve as a useful starting point. It is noted therein that the most widely adopted view of civil society among Governments, donors and official supporters of civil society is that it consists only of voluntary associations that directly foster democracy and promote democratic consolidation.... In this view the range of associational groups that are seen as having a key role to play in development ... consists of professionalized non-governmental organizations and community-based organizations that are located in those poor neighbourhoods, which are the subject of development initiatives.

7. This sphere of associations, driven not by profit and not by power and authority but wholly by civic values and norms, has, by default, carved out a distinctive circuit in urban life; providing a base for the existence of a significant proportion of the urban population. In fact, there are sections in cities of many developing countries in which the dominant mode of governance, civil society entities that are part of Habitat Agenda partners, are non-profit, voluntary groups. They include non-governmental organizations, neighbourhood associations, community-based organizations and women's groups, youth groups and faith-based organizations, professional associations dealing with urban issues.

## **B. Civil society as promoter of inclusiveness and empowerment**

8. Two notions help to pinpoint the issues associated with the involvement of civil society in local governance: inclusiveness and empowerment of civil society.

9. Inclusiveness traditionally encompasses both political processes (and participatory democracy in particular) and policy objectives (improving the living conditions of all groups, focusing on marginalized and minority communities). In both cases, the main goal is to build structures that enable everyone, regardless of wealth, sex, age, race or religion, to participate productively and positively in the opportunities that cities have to offer.

10. For inclusive governance to function effectively, it is not simply a matter of providing a space for involvement. Empowerment entails the acquisition of new capacities, establishment of new institutions, promotion of new ways of working within existing organizations, and a provision of new rules for inter-organizational relationships. Empowerment also entails changing values and norms regarding respect between social groups, so that none is marginalized and loses the right to speak and be heard because of discrimination.

## **C. Why is the involvement of civil society important?**

11. By many accounts, civil society involvement contributes to a better identification of needs and demands and to enhanced efficiency in implementation, in addition to promoting sustainability and social harmony. Inclusive governance has a good record of bringing greater equity, responsiveness and efficiency to local services. A recent review of democratic experiences in Kerala, India, Porto Alegre, Brazil, and cities in South Africa has highlighted further benefits of inclusiveness: it allows for a continuous and dynamic process of learning; promotes fruitful compromise and innovative solutions; and bridges the knowledge and authority gaps between technocratic expertise and local involvement.

12. For UN-Habitat, these findings all corroborate its own experience gained from working with cities in different parts of the world. For example, the sustainable cities programme owes its success and growth for over a decade to the close involvement of civil society. Similarly, UN-Habitat initiatives to improve water management in Africa and Asia have proved that more efficient delivery does not by itself guarantee increased access for the poor. The experience of UN-Habitat also shows that inclusiveness maximizes the local knowledge of managers, promotes responsiveness and fosters transparency as well as accountability, which in turn ensure effective service delivery. Moreover, involvement in governance systems deepens the community sense of belonging and ownership as they become makers and shapers of their own destinies. Thus, involvement of civil society not only develops a strong sense of ownership of their city among citizens but also commits them, especially when their economic circumstances change or make it possible, to ensuring continued improvement in various ways. Indeed, as also noted by the Secretary-General's Panel of Eminent Persons on United Nations-Civil Society Relations in their report, few of today's most difficult challenges can be resolved by Governments alone; other stakeholders are needed because they have essential knowledge, experience and links to key constituencies.

13. There is also evidence to suggest that social capital – shorthand for the benefits of social organization such as networks of civic engagement, norms of trust that facilitate coordination and cooperation for mutual benefit – has an important bearing on Government performance, as shown by Putnam in his studies on Italian regional government, which make the point that where the concept of citizenship is stunted, government does not work. Where citizens are engaged in public affairs, democracy works and economic development is effective.

14. A major consequence of non-involvement of civil society in local governance is often urban crime, proliferation of slum and squatter settlements and gender inequity. These factors often act as disincentives to investment and competitiveness. Indeed, these are costs that are far greater than any which inclusive political processes may impose. With respect to the proliferation of slum settlements for example, UN-Habitat has observed in its Global Report on Human Settlements 2003 that the poor play a crucial role

in the improvement of their own living conditions and that their participation in decision-making is not only a right – that should be an end in itself – but also helps achieve more effective implementation of public policies. Consequently, involving the urban poor and those traditionally responsible for investment in housing development has greater potential for enhancing the effectiveness of slum eradication policies.

### **III. Obstacles and constraints to promoting civil society participation**

15. Taking involvement from theory to practice poses a number of challenges, including: identifying key stakeholders and interlocutors; balancing the responsibilities of representative organs of government with the demands of different interest groups; overcoming elitist and gender dominance at the local level; dealing with political patronage and its divisive tendencies; and the perceived high resource requirements for inclusive decision-making.

#### **A. Identifying interlocutors, gender inequity and opportunity cost for the poor**

16. One of the challenges is to determine who are going to be the legitimate interlocutors among the population and to define the participatory channels that can be made both accessible to, and genuinely representative of, all poor and working-class citizens. The more powerful members of the community frequently tend to usurp the participatory space and substitute for the community. In this regard, it is worth mentioning the results of a research survey carried out by the United Nations Research Institute for Social Development in some neighbourhoods of Johannesburg, South Africa, in the mid-1990s: residents of informal settlements were prevented from making themselves heard; backyard tenants attracted minimum attention; and landlords dominated the entire participatory process in the formal township. This type of situation is often compounded by the inability of the poor to engage in lengthy and time-consuming processes when time is the main capital they can employ to eke out a living.

17. There are also suggestions that inclusive governance leads to the empowerment of local elites rather than consideration for the voices and interests of the more marginalized. In a number of instances, local elites, through their control of elected councils, manage to steer most benefits their own way. Women tend to be the major victims in such situations of distortions at the local level. By being subsumed in the broader category of community, their specific concerns are diluted and gender inequity increased. The often prevailing patriarchal structures at the local level inhibit the full engagement of women unless particular attention is given to removing impediments one-by-one.

#### **B. Changing patterns of citizen involvement**

18. Diminishing citizen involvement has been a growing concern, particularly in developed countries. The involvement of civil society in political processes is believed to be on the wane. At the same time, a prominent sociologist referred to a “haemorrhaging of social capital” in describing increasing fragmentation and mistrust in civil society. A 2004 report in the *Economist* recently described an even more ominous development affecting American communities, stating that people living in diverse areas were not just more suspicious of those who did not look like them; they were also more suspicious of their own kind!

19. Other observers disagree with the above observation and suggest that what appears to be a withdrawal of citizens from political processes is only a shift in the modality of engagement. Replacing traditional civil society is a less conformist social world characterized by the rise of networks, issue associations and lifestyle coalitions facilitated by the revolution in personalized, point-to-point communication. A different kind of citizen involvement is evolving, which is based more on a single issue on an ad hoc basis rather than on multiple, broad-based issues.

#### **C. Changing role of local authorities**

20. There has been a significant change in the structure of local government over the past 10 years. Local authorities today are not unified organs, the council of former times, but comprise a number of entities. These may include business units that are operating at arm’s length; other trading enterprises; trust bodies; and joint ventures with other local authorities or private sector partners. This multifarious structure can have an effect on the relationship with civil society, especially where unelected directors and trustees make the decisions and communities are expressly left out of the process.

## **D. By-passing of local governments**

21. Since the 1990s, what is perceived as the “community” has become a new focal point for central Government policies, particularly when dealing with social issues. It has become fashionable to devise strategies aimed at harnessing the capabilities and resources of communities in policy programmes. Whether they promote it through neighbourhood participation, local empowerment or resident involvement in decisions over their own lives, authorities believe that inclusiveness reactivates self-motivation, self-responsibility and self-reliance. Such promotion has been a highlight of national Government efforts to implement poverty reduction programmes. In some cases, community organizations have found themselves turned into implementing agencies, substituting for local government. As a result, changing forms of local governance and engagement with civil society have had the perverse effect of weakening local government.

## **IV. Recent experiences in fostering civil society involvement**

22. What are the different facets of nurturing civil society empowerment and inclusiveness? What are some of the facilitating procedures and instruments? How effective have they been?

### **A. Legislative framework**

23. Devolution of power, authority and resources from the central to municipal level is a prerequisite for effective citizen involvement, though it is not a sufficient condition on its own. This in turn should enable local authorities to involve citizens in the running of their city.

24. Brazil’s “Statute of the City” Act of 10 July 2001 is a good example of a legal instrument that seeks to secure citizen involvement. The Act reinforces in law and gives political validation to the participation in local government of citizens and associations representing various segments of the community. It effectively entrenches the participation of citizens and associations representing civil society. It also broadens the opportunities for citizens to participate in the decision-making process, by providing for a variety of mechanisms, including public hearings, consultations, councils, environmental and neighbourhood impact studies, popular initiatives to put forward urban laws, and the practice of participatory budgeting.

25. Also reaching deep into civil society is the Philippines’ Local Government Code of 1991, which ranks among the most forward-looking statutes when it comes to strengthening local governance. The code sets out the legal and institutional infrastructure for the expanded participation of civil society in local governance. More specifically, it calls on non-governmental organizations and other representatives from the private sector to sit on local service boards and development councils. These bodies are responsible for preparing development programmes as well as allocating funds (Local Government Code of the Philippines, Republic Act No. 7160).

26. Along similar lines, in 1998 Viet Nam adopted its decree No. 29 on effective democracy in the communes. The decree made it an obligation for local officials to provide detailed information to communities on a range of issues, from national legislation to local projects. Viet Nam’s decree also made it mandatory to seek public consultations, approval, and supervision on a number of development activities at the local level. Such activities include the communal budget, land management, the outcomes of investigations against corrupt officials, and social services.

27. Similar examples – though of a more limited scope – can be found in the United Kingdom’s 1999 Local Government Act, which made it a legal requirement for local authorities, as well as other local service providers such as police and fire authorities, to consult users about different aspects of their service provision. Similar examples can be found in Bolivia, with the enactment and implementation of the Popular Participation Act.

### **B. Participatory structures and processes**

28. As pointed out above, legal instruments that empower citizens at the local level call for the creation of institutional structures and procedures but the route of legal reform can be long and arduous. In many cases, statutory law provides these institutional elements. But the contribution of administrative reform is not negligible, as epitomized by the so-called “citizen oversight committees” of South Carolina, United States of America, and the “mesas de concertación” (consultation round tables) in the Latin American cities of Lima (Peru), districts of Los Olivos, Lurigancho-Chosica, Ate-Vitarte, and Villa El Salvador;

Meso de los Hornos (Mexico); Córdoba (Argentina); Cotacachi (Ecuador); and San Salvador (El Salvador). The “mesas” are forums for participatory governance bringing together local government, the private sector, non-governmental and community-based organizations to discuss, debate and agree on proposals for the development of their communities.

29. In the Philippines, 12 non-governmental organizations in Cebu City have formed a coalition called “Kaabag sa Sugbo”, which represents a different kind of institutional development for inclusiveness. The coalition effectively enhanced the communities’ ability to engage with the local authority dialogue, participation and negotiation. Kenya provides a further instance of the power of such coalitions: in Nairobi, a federation of the urban poor (“Muungano”), assisted by the Pamoja Trust, has built the capacities required to develop solutions for people’s well-being together with municipal and national government.

30. The UN-Habitat global campaigns on urban governance and secure tenure have also confirmed the viability of civil society involvement and its impact in improving local governance. Coalitions of stakeholders representing central Governments, local authorities and civil society have been the prime movers in preparing for campaign launches in a number of countries. More significantly, it is these social coalitions in the campaign countries that collectively develop action plans of priority areas for improving governance and security of tenure. Indeed, as UN-Habitat programmes and technical cooperation activities are advancing this campaign approach, evidence of positive systemic change is gradually emerging.

31. One of the most innovative processes for promoting community empowerment in recent times has been that of participatory budgeting. Initiated in 1989 by the Union of Neighbourhood Associations of the City of Porto Alegre, a city of 1.3 million people in the south of Brazil, versions of this system have now been adopted by close to 300 municipalities in Brazil, and in other parts of the world. Essentially, the system entails involving ordinary citizens in planning for the yearly capital budget. The original Porto Alegre system is based on 16 forums with participants drawn from all the local regions of the city. Five other forums address thematic issues such as education, health, social services, transportation, city organization and economic development. There is also a municipal budget council with representatives from the regional and thematic forums.

32. As a result of the participatory budgeting process, in the words of one observer, “participants have developed a series of democratic skills. The most elementary are the basic habits of collective decision-making – holding coherent meetings, allowing all to speak, and learning how to debate and vote on complex issues where choices are multiple. Participants have also gained critical skills in negotiating with the administration. They pressure agencies to produce information about government actions and to demystify technical rules. They often successfully force administration officials to talk in ordinary people’s terms and, in so doing, unmask attempts to veil in technical complexity the real reasons for rejecting or changing the demands prioritized.”

33. Indeed, participatory budgeting has many potential benefits for local government and civil society alike. It can improve transparency in municipal expenditure and stimulate citizens’ involvement in decision-making over public resources. It can help boost city revenues. It can redirect municipal investment towards basic infrastructure for poorer neighbourhoods. It can also strengthen social networks and help to mediate differences between elected leaders and civil society groups. This approach has been successfully applied in a number of cities in Latin America and Europe, and it is now spreading to Africa and Asia.

34. A variant of participatory budgeting is gender responsive budgeting. This is a multi-stakeholder participatory process using tools that assist in analysing budgets to see how government policies and programmes have different impacts on women and men, as well as boys and girls. Gender responsive budgets can assist governments to improve accountability and targeting of services to ensure that municipalities respond to the needs of neglected constituents such as low income women and marginalized communities.

35. Another approach that has worked successfully in different parts of the world in empowering women to participate in human settlement development is referred to as “local-to-local dialogue”. This is a locally designed strategy through which grassroots women’s groups initiate and engage in dialogue with local authorities with a view to influencing policies, plans and programmes in ways that address women’s priorities. The experience gathered so far on such initiatives demonstrates the creative ways in which women use their skills and knowledge to mobilize communities, raise resources, build alliances with local authorities and indeed, transform institutions around them, to advance the interests of women and their communities.

36. The participation of young people in governance processes is equally important. Young people constitute a large proportion of the urban population and participating in governance processes encourages them to be more active citizens. Specific public policies adapted to the needs of young people are required

to enable them to make their own life choices in the fields of education, training, employment, participation and active citizenship.

37. In order for all these critical elements of involvement to have an impact, enabling conditions for civil society participation must also be promoted. These include access to information, access to justice, training programmes in understanding legal and administrative matters, supporting the formation of associations of marginalized people, and initiatives to empower broad sections of civil society.

### **C. Civic standards and values**

38. Inclusiveness and the role of civil society are not just about policies and processes. If they are to work, some core values must underpin them. Where the groups that are empowered are hostile to diversity or to other groups, civil society empowerment cannot work. Empowerment involves the promotion of civic standards and ethical values that emphasize inclusiveness, including a sense of citizenship. Local authorities must promote a sense of trust, reciprocity and solidarity. These values are very different from those of consumerism, a notion which may be confused with citizenship, especially when many community empowerment schemes involve a quasi-consumerist approach. This is the case with public consultations using focus-group techniques, which are indistinguishable from private-sector marketing practices.

39. The UN-Habitat Global Campaign on Urban Governance has identified some core norms and principles that constitute, as adaptable to local situations, the essence of improved governance. The Campaign has been promoting the principles of sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security as interdependent and mutually reinforcing norms that foster inclusiveness and local governance. Of late, there has also been a movement promoting a world charter on the right of the city that has been discussed and supported by a range of human rights entities, social movements, municipalities, national Governments, universities and non-governmental organizations, which prescribe a number of norms of urban governance.

## **V. Relationship between civil society and Governments**

40. The relationship between representative and participatory democracy poses practical problems and tensions. Some elected politicians are uneasy with participatory governance because they see themselves as the only legitimate decision-makers. Having been elected by citizens through the democratic ballot, they consider that such participatory processes are taking decisions and control away from them. Nonetheless, the experience of participatory budgeting and the partnerships that have been forged in promoting the UN-Habitat global campaigns demonstrate the possibility of a productive relationship between the two types of democratic processes.

41. Another challenge is the relationship between civil society and formal institutions of local governance. Many civil society organizations are distrustful of government institutions, which leads to questions as to whether the two spheres are complementary or competitive. This raises other issues. Is inclusiveness better guaranteed if vibrant civil society organizations are co-opted into local government processes? Or does involvement in local government simply mean that civil society organizations and their leaders will be compromised by city hall bureaucrats? Is inclusiveness best pursued by oppositional civil society pressure groups that are not burdened with responsibility for implementation and can hold local government to account without fear or favour? The answers are not straightforward. It is certainly true that civil society groups are needed in a watchdog type of role, to scrutinize actions and exert pressure on local government. This is without doubt true of the media. If all civil society organizations are consistently oppositional, however, it will not be possible to integrate civil society perspectives into local governance in any constructive sort of way. The nature of the engagement of civil society organizations will most probably depend on how genuine an interest is manifested by the local government in responding to their views.

42. The role of the central and local governments is critical in promoting civil society involvement. Indeed, the effectiveness of participation depends on the position taken by these two spheres of government. They can discourage and suppress citizen involvement or actively promote it. As earlier indicated, meaningful decentralization that involves transfer of powers and fiscal resources to local authorities creates an environment conducive to the participation of civil society. This can be reinforced with explicit legal provisions for more participatory mechanisms of local governance. While these instruments may lead to the strengthening of local government units, they need to be translated into new practices that allow effective participation by citizens. Sometimes, however, there is an unwillingness to

relinquish power to the grassroots level, which may be compounded by weaknesses of local authorities, which prevent them from adopting new practices.

43. Finally, civil society involvement has to face the challenge of replication and up-scaling. Only a few of the initiatives that have been referred to above are city-wide or national in scale. Many tend to be innovations that are evolving at a micro level in specific cities. The possibility of expanding such initiatives and replicating them in broader settings demands human and financial resources as well as a lot of time investment.

## **VI. Conclusion and issues for discussion**

44. For all its handicaps, the involvement of civil society in local governance is a necessary condition if the challenges of urban development are to be overcome. While inclusiveness is not predicated upon specific practices, structures and procedures, it remains a fundamental tenet of good governance. What it does require, however, is an adequate degree of empowerment for civil society to engage fully in partnership arrangements. The wealth of experiences of inclusive governance and empowerment available must be shared, adapted and developed to suit different contexts. The current visible shift away from marginalization to consultation and participation, and the concurrent trend of promoting partnerships, are positive developments that must be encouraged.

45. The following issues are submitted for further consideration by the Governing Council:

(a) Inclusive involvement of civil society in local governance does not imply abdication of responsibility by formal structures of government. Indeed, weak government often implies weak civil society. There is a strong connection between inclusiveness and the structural conditions under which communities and their organizations operate. How can central and local governments develop appropriate conditions for more inclusiveness to occur?

(b) The achievement of the Millennium Development Goals depends in part on the local political environment – on whether there are avenues for citizens to participate in decision-making through formal structures of democratic participation, or through direct collective mobilization and action. How can this process be accelerated?

(c) Engaging the poorest and most marginalized communities in decision-making is one of the most critical issues related to inclusiveness and it should be accorded top priority by national and local governments, civil society organizations and the donor community. How can constraints be overcome?

(d) Cities are in need of new experiences to facilitate the involvement of civil society. How can local authorities be assisted to share experiences, develop new forms of incentives for adoption of good practices and more participatory policies?

(e) Active involvement of women in the process of local governance is critical in achieving the goals of sustainable urban development. How can this participation be enhanced?

(f) It has been suggested that inclusion is guaranteed when every urban citizen has a right to the city. This claim compels the State to ensure that citizens do not suffer from exclusion with respect to access to public goods and services. How can this principle be reinforced in urban governance? Does it necessitate revisiting the definition of the norms of urban governance?

(g) UN-Habitat and United Cities and Local Governments have indicated an intention to create a global observatory of local democracy, which will be a watchdog of the involvement of civil society in local governance using the urban governance index, developed by UN-Habitat, and other appropriate tools. What are the implications of establishing such an observatory?

(h) Partnership is often cited as the key word in promoting good governance at local level. How can the fostering of partnership among local authorities, civil society and private sector be established both at the normative level and in service delivery?

(i) How can we empower civil society, including grass roots organizations, to exercise greater control over local development by facilitating their interaction with government, the private sector and partner development agencies?