Contents

Fore	Foreword		
Abbi	Abbreviations and acronyms		
1	Introduction and Overview Peter McKinlay and Graham Sansom	1	
	The emerging context Issues, experience and findings	3 6	
1.2	1.2.1 Decentralisation, localism and intergovernment relations	7	
	1.2.2 Local government finance and economic development	9	
	1.2.3 New approaches to governance	12	
1.3	Fresh ideas for a new century?	14	
PART I. DECENTRALISATION, LOCALISM AND INTERGOVERNMENT RELATIONS		18	
2	Democratic Decentralisation in the Commonwealth Caribbean: Is There a Case for New Roles and Relationships?	18	
	Eris D Schoburgh and Bishnu Ragoonath		
2.1	Analytic method	20	
2.2	The varied dimensions of democratic decentralisation	22	
2.3	Goals and strategies in the Caribbean	24	
2.4	A focus on structures	26	
2.5	Financial reforms	29	
2.6	Institutional strengthening	31	
2.7	Does size matter?	31	
2.8	Assessing reform outcomes	32	
2.9	New roles, new relationships	36	
2.10	Conclusion	39	
3	Pakistan's Devolution of Power Plan 2001: A Brief Dawn for Local Democracy? Munawwar Alam	44	
3.1	Local government in Pakistan until 2001	45	
	3.1.1 1947–1958	46	
	3.1.2 1958–1969: The 'Basic Democracy' system of General Ayub Khan	46	
	3.1.3 1969–1979	47	
	3.1.4 1979–1988: The local government system of General Zia-ul-Haq	47	

vi		Contents
3.2	The Devolution of Power Plan: What was new? 3.2.1 Application of subsidiarity 3.2.2 Abolition of the rural—urban divide 3.2.3 Reform of bureaucracy	47 49 49 51
	3.2.4 Developmental planning	51
3.3	Organised local government – a new phenomenon in Pakistan	51
	3.3.1 Social dimensions	52
3.4	Recent developments, prospects and conclusions	54
4	Decentralisation and Community Budgeting in England Nigel Keohane	58
4.1	'Total Place' and 'Community Budgeting': the genesis of reform	58
	4.1.1 New areas of focus	60
	4.1.2 The Total Place pilots	60
	4.1.3 Implications and suggested reforms	63
4.2	The coalition government and the 'Big Society'	64
4.3		66
	4.3.1 Model 1: Agreement	66
	4.3.2 Model 2: Contestability and commissioning	69
1 1	4.3.3 Model 3: Informal networking	70
4.4	Conclusion	71
5	Ironic Localism and a Critical History of English 'Reform' Mike Bennett and Kevin Orr	74
5.1	The irony of 'localism, localism'	74
5.2	Jump-cutting through the long history of 'reform'	78
	5.2.1 The Tudors and central-local relations	78
	5.2.2 The nineteenth-century reform movement	79
5.3	Localism: the eternal return of the same?	81
	Local government and the internalisation of reform	83
5.5	Local government into the twenty-first century: stories of reform	86
PAR	T II. LOCAL GOVERNMENT FINANCE AND ECONOMIC DEVELOPMENT	91
6	Toward a System of Municipal Finance for Twenty-first Century India Om Prakash Mathur	91
6.1	Challenges for municipal finance	91
	6.1.1 Improving municipal finance is central to the achievement of India's economic	
	growth objectives 6.1.2 A robust municipal finance system is necessary for effective implementation	91
	6.1.2 A robust municipal finance system is necessary for effective implementation and management of India's urban policy agenda	92
	6.1.3 A sound municipal finance system is a pre-requisite for improved	92
	service delivery	94
6.2	India's municipal finance system: basic features	96
6.3	Municipal finances: ground-level realities	97
		5,

Contents		vii
6.4	A system of municipal finance for the twenty-first century	102
0	6.4.1 Broadening the fiscal domain of municipalities	103
	6.4.2 Institutional re-engineering for improved municipal finance	104
	6.4.3 The role and participation of the central government in municipal affairs	104
7	Property Rates as an Instrument for Development: An Analysis of	
	South African Policy, Law and Practice	108
	Jaap de Visser	
7.1	Local government in South Africa	108
	7.1.1 Developmental local government	109
	7.1.2 Local government institutions	110
	7.1.3 The current context: local government 'in distress'	111
7.2	Legal and policy framework for property rating	112
	7.2.1 Reliance on property rates	113
	7.2.2 Municipal property rates policies	114
	7.2.3 Differential rating	114
	7.2.4 Exemptions	115
	7.2.5 Reduction	115
	7.2.6 Rebates	116
	7.2.7 Accounting for discounts	116
	7.2.8 Expectations: South African national and provincial policy frameworks	116
7.3	Arguments against using property rates for developmental purposes	117
	A review of current South African practices	119
	7.4.1 Encouraging developmental behaviour	121
	7.4.2 Stimulating local economic development	122
7.5	Summary and assessment	122
8	Municipal Partnerships for Prosperity: Empowering the Working Poor	
	in Local Economic Development	129
	Alison Brown	
8.1	Conceptualising governance contexts	131
8.2	Approaches to the informal economy and street vending	133
	8.2.1 Petty trade in Dar es Salaam	133
	8.2.2 South Africa and Durban's informal economy policy	135
	8.2.3 India's national street vendor policy	136
8.3	Developing capabilities	138
8.4	Conclusion	139
PAR	T III. NEW APPROACHES TO GOVERNANCE	145
9	New Pathways to Effective Regional Governance: Canadian Reflections	145
	Brian Walisser, Gary Paget and Michelle Dann	
9.1	British Columbia's layered system for local governance	145
	9.1.1 Creating British Columbia's regional districts	146
	9.1.2 Attributes of British Columbia's regional districts	146

.

viii		Contents
9.2	Inside three regional districts	147
	9.2.1 Geography, demographics and corporate composition	151
	9.2.2 Self-organised service profiles	151
9.3	Responding to place, need and scale	152
9.4	Coping with complex, divisive issues at a regional scale	154
	9.4.1 How polycentricity and rivalry affects decision-making	154
	9.4.2 How polycentricity and rivalry affects system architecture	155
	9.4.3 Regions as 'arenas of contention'	156
	New pathways for regional governance	157
	9.5.1 Enhancing regional leadership and co-ordination	159
	9.5.2 Enhancing regional decision-making	160
	9.5.3 Meta-governance role of central governments	162
	Effective regional governance for the twenty-first century	162
	9.6.1 Reflections on effective regional service delivery	162
	9.6.2 Reflections on effective governance in arenas of contention	164
	Long-term Strategic Planning in New Zealand: Will Compliance Crowd	
	Out Performance? Michael Reid	169
10 1		170
	The New Zealand local government system	170
	The rise of strategic planning	171 173
	Long-term council community plans Identifying community outcomes	175
	The problem of complexity	175
	International experience	177
10.0	10.6.1 New South Wales	179
	10.6.2 England	180
	10.6.2 England 10.6.3 South Africa	181
10.7	Balancing compliance and performance	182
	Strategic planning: where is it heading?	185
11	The Role of Local Authority-owned Companies: Lessons	
	from the New Zealand Experience	189
	Peter McKinlay	
11.1	Local authority-owned companies: global examples	189
	11.1.1 Europe	189
	11.1.2 British Columbia, Canada	190
	11.1.3 England	191
	11.1.4 Australia	192
11.2	Local authority-owned companies in New Zealand	192
	11.2.1 Harbour boards and electricity distribution	193
	11.2.2 General-purpose local authorities	193
	11.2.3 Policy implications	195
11.3	Case studies	196
	11.3.1 Dunedin City Council	196
	11.3.2 Christchurch City Council	198

Contents	ix
11.3.3 New Plymouth District Council	199
11.3.4 Horowhenua District Council	200
11.3.5 Bay of Plenty Local Authority Shared Services (BOPLASS Ltd)	200
11.4 Fast forward: the Auckland Council experience	201
11.4.1 Working with CCOs	205
11.5 Reflections on the New Zealand experience	206
11.5.1 Corporate governance	206
11.5.2 Monitoring and support	207
11.5.3 Accountability	208
11.5.4 Flexibility/co-production and capability development	209
11.6 Conclusion	209
12 The Evolving Role of Mayors: An Australian Perspective	212
Graham Sansom	
12.1 Governance, planning and leadership	213
12.2 Australian context and practice	216
12.3 Developments in England and New Zealand	223
12.3.1 England	224
12.3.2 New Zealand	226
12.4 A future model	228
12.4.1 The merits of popular election	228
12.4.2 The need for stronger community leadership	230
12.4.3 Ensuring effective strategic and corporate planning	231
12.4.4 Enhancing political governance	232
12.4.5 The respective roles of mayors and chief executives	232
12.4.6 Intergovernment relations	234
12.5 Conclusion: a framework for legislation	. 234