THE LEADERSHIP OF CITIES

Emily Moir, Tim Moonen and Greg Clark

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UCL City Leadership Laboratory

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Executive summary

In the twenty-first century, cities around the world face an unprecedented range of challenges, from tackling climate change, to addressing social and economic disparities, to fostering competitiveness and creating more jobs. Perhaps paradoxically, our expectations of what cities can deliver have also been raised in this so-called ‘urban age’. Yet in most cases we have only seen the partial empowerment of city governance institutions to deliver the liveability, resilience, and productivity outcomes that this new era requires. Most cities have entered the ‘metropolitan century’ with major governance deficits, and with institutional frameworks that are fragmented, uncoordinated and/or highly centralised and rigid.

In this context, where urban and metropolitan solutions are urgently needed, but formal city government powers are lacking or unavailable, the role of city leaders becomes increasingly strategically important. In the short term, these leaders must use informal tools and inventive approaches in order to address city and metropolitan imperatives. This often involves developing and using skills that are well-recognised in other sectors, but are new to city leadership: vision setting, coalition building, joint ventures, advocating for change and promoting reforms, influencing a wide range of decision makers, attracting investors, acquiring or inventing new tools and platforms to help fill the governance ‘gaps’, and collaborative planning for the future. In the longer term, most city leaders will need to achieve substantive reform in order to acquire more authority, empowering them to manage their own cities’ futures. In the short term they must be inventive.

This paper is about how leadership teams are built and run, to enable cities to move beyond the governance deficit and into sustained phases of innovation. On the basis of a series of case studies, interviews with city leaders and a review of existing literature, the authors identify two key ingredients in the creation of efficient city leadership:

i. Innovation

City leaders need to be accomplished innovators, who can come up with fresh ideas to ‘fill’ the power gaps that they face. They need to be adept at influencing and persuading other stakeholders, so as to make space for their innovations. They need to become experts in sharing, listening and networking, in order to learn about and adopt successful tools and platforms developed in other cities. They may need to adapt, adjust and implement the innovations of others. And they will certainly need to be skilled at planning for the future and anticipating challenges wherever possible, so as to be able to implement innovations before (or as) they are needed.

ii. A shared system of leadership

already seen new groups such as city networks, business leadership groups and metropolitan authorities drawn into the sphere of city leadership, and we expect the governance landscape of most cities to become increasingly dispersed in future. This diversity has the potential to be advantageous for cities, adding to their resources, ideas and delivery capability. But in order to secure these advantages, a key task for future city leaders will be making the distributed system of leadership more coherent through partnership and co-ordination, the assembly of coalitions, and the enactment of reforms. Accordingly, development of leadership skills across the broader system of city governance must be a key priority for today, in order to secure the best possible city leadership for the future. This broad base of leaders will need to work together to argue for and promote reforms if they are to obtain the enhanced autonomy that is needed in most of the world’s cities.
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Introduction: Urbanisation and the city governance gap

Urbanisation is perhaps the single most influential mega-trend of the late 20th and early 21st centuries. With well over half of the world’s population now living in cities, by 2050 the urbanisation rate may even reach 70%. The promise of global urbanisation and re-urbanisation is that it could secure increased productivity, enhanced sustainability, and reduced inequality, and therefore make a critical contribution to human development.

But urbanisation has also increased the scale and intensity of the challenges which cities face, and threatens to embroil cities in severe and protracted negative externalities. It falls to city leaders to ensure that urbanisation is harnessed as a catalyst for positive change. However, as global challenges have accelerated and intensified, many formal city leaders - local government chairs, mayors, councils, city managers, and other appointed city level authorities – have found themselves under-powered, as city governance reform has not kept pace with the demands made upon cities. In particular, we observe that:

- Most cities do not have boundaries that increase with enlarged settlement patterns.
- Most cities do not raise enough tax to support their investment requirements.
- Most city governments do not control all of the main levers of city development.
- Most cities do not have higher tiers of government with clear policies to address city development issues.
- Most city leaders have short term mandates, but must grapple with long term issues and challenges.

In other words, most cities face substantial governance, institutional, and investment deficits, without which their capacity to manage and harness their economic and population growth for wider societal and environmental benefit will be critically constrained.

Cities around the world are trying to overcome these deficits in different ways. In some cases higher tiers of government are giving cities more formal power, larger boundaries, greater access to fiscal resources, and more stable and capable institutions. But these cases are rare. In most cities we have only seen a partial response in terms of empowering city leaders to deliver the livability, resilience, equality and productivity outcomes that our new urban age requires. Despite rhetoric about the rise of ‘city-states’ this metaphor refers much more accurately to the trading roles of cities than it does to any substantial increase in the autonomy of their government. In fact most cities are not city ‘states’ but rather city nodes and city markets, that lack any government functions akin to a ‘state’. Many cities are still run by local councils, who do not have the powers to suggest they are ‘states’ in any meaningful sense.

This governance deficit has major implications for city leadership - where formal power is less available, the role of local government leaders becomes even more important. Increasingly, these city leaders must move beyond simply using their official powers, and use more informal and collaborative tools and reforming approaches in order to address city challenges. They have to innovate in order to get things done. This might involve influencing a wide range of stakeholders, acquiring or inventing new tools and platforms to help fill the governance ‘gaps’, and planning for the future. City leaders also have to share leadership across a widely dispersed system of authority, especially in multi-jurisdiction metropolitan areas. Leadership can no longer be done by local government alone and city leaders must recruit partners and build coalitions to fill governance deficits. They must play many co-ordinating roles in order to make city governance coherent.

These two new characteristics of city leadership – as an innovative and shared enterprise – mean that those concerned with studying city leadership, enhancing it, or even with becoming city leaders themselves, have to consider a broader set of actors and a wider set of tools than ever before.
Origins and methodology

The stimulus and inspiration for this paper has been three recent programmes of work relating to city leadership, in which the authors have been fortunate to be participants. These are:

- **The World Bank Institute**'s Open Learning Campus series *City Leadership in an Urbanising World* which, through interviews and biographies, offers first hand insights from transformational mayors whose legacy lives on beyond their terms.\(^6\)

- **The City Leadership Initiative**, a project of the Department of Science, Technology, Engineering and Public Policy at University College London which is designed to improve our understanding of how leadership translates into long-term strategic vision and activity. Both a research programme and a policy engagement studio, the initiative looks to assess the impact of entrepreneurial approaches and innovative partnerships that city leaders deploy to confront global challenges.\(^7\)

- **The OECD’s** 2015 paper on *Local Economic Leadership*\(^8\), which is part of a substantive series of work OECD LEED has carried out in the wake of the 2008 Global Financial Crisis on cities’ policy responses and growth strategies. This body of work has led to a specific focus on local economic leadership and the critical role that it plays in creating the framework conditions for inclusive growth. The 2015 paper explored this in detail through analysis of extended case studies of the cities of Amsterdam, Hamburg, Manchester and Stockholm.

This paper is a synthesis of contributions and insights from these three bodies of work, supplemented by the review and analysis of a wide variety of primary and secondary sources, in particular:

- Recent literature published on cities and city leadership by academics, journalists and practitioners representing disciplines including urban studies, economics, politics, architecture, urban design, geography, history and psychology;

- Online reports and commentary published by international organisations, think tanks, policy organisations, academic institutions, mainstream and business media, global consultancy practices and official city websites.

- Insights acquired by the authors through their advisory work with a large number of cities, carried out over the course of more than a decade, and their observations from recent seminars, leadership conferences and summit meetings.

Scope and structure

This paper is structured in three parts:

**Part 1** looks at the contemporary state of city leadership. It explores the challenges and limitations that city leaders face, and examines the nature of the distributed systems of governance which are present in most cities today. This section also reviews the existing literature on city leadership.

**Part 2** of the paper looks at how city leadership governance gaps can be addressed, and indeed are being addressed in some cities. It considers the role of innovation in filling governance and investment gaps in cities, and what role leaders *outside* of city government have to play in meeting city challenges.

**Part 3** of the paper explores, by way of case studies, real world examples and literature review, what key insights we can make about effective city leadership. We reflect on how city leaders can influence the wider governance system of a city, and conclude by discussing what leadership cities will need in the future.
Part 1: The state of contemporary city leadership

1. The growing interest in city leadership

‘Leadership’ is most often thought of as an individual character trait, whether that trait is an innate quality or a skill to be attained. Until relatively recently, interest in city leadership reflected this bias, and a ‘biographical’ approach, focusing on the characteristics of individual leaders dominated discussions in political science. In recent years however leadership studies in general have broadened their scope: the Harvard academic Ron Heifentz for example has advanced the concept of “adaptive leadership” which redefines leadership as an activity rather than a position of authority or form of influence. City leadership has also taken on a bigger meaning, reflecting a broadening focus from city government to city governance.

At this point it is worth clarifying the interpretations we use in this paper of some similar, but distinct terms:

- **City management** (and indeed city administration) is the effective implementation of the set of city government competences that are formally given or allowed to cities. City management, we could say, is about managing services, assets, infrastructure, and resources. It is about making those city systems that are in the control of city leaders function well. A major challenge for city management is that many city governments control too few of systems that are needed for effective functioning.

- **City leadership**, on the other hand, takes on a broader set of tasks. City leaders must not only shape how a city is managed but also influence activities over which the city government has no formal authority. This can include coordinating or synchronising public services and infrastructure delivered within the city but by another public body. It can also include shaping private investment and development or influencing how citizens manage energy, water, and other resources, and the transport choices they make. It may include establishing agendas that will influence a wider set of organisations beyond short term electoral cycles, building a longer term vision and narrative for the future of the city, negotiating with higher tiers of government for investments, or creating opportunities for the city. David Harvey’s description of urban ‘entrepreneurialism’ reflects the broader meaning of city leadership. Compared to city management, city leadership is more about influence and co-ordination beyond the formal powers of the city government and its mandate. There is a close link between city leadership and innovation in cities.

- **City government** is the formal city administration as set out in statute, constitutional or other legal framework that defines the precise formal competences of such local administrations. The powers of such institutions and their financial arrangement vary profoundly both between and within countries with a wide spectrum of competences and deficits that will be discussed below.

- **City governance** is more than just the city government. It includes the many other organisations involved in city life. Governance fulfills the role of bridging the gaps that are inevitably left by overstretched and/or underpowered city governments. In most larger cities, the governance system is a complex mesh of authorities, institutions, formal and informal bodies and activities. It includes civic and business level organisations as well as higher tiers of government. In a city such as New York or London, city governance will include many hundreds of organisations, most with only limited coordination. As Katz and Bradley have described, metro leaders can comprise “mayors and other local elected officials for sure, but also heads of companies, universities, medical campuses, metropolitan business associations, labour unions, civic organisations, environmental groups, cultural institutions and philanthropies.” Accordingly a shift to governance is sometimes seen as shifting responsibility for cities from the state on to civil society in general.

The boundaries of thinking about city leadership are now being challenged across a broad spectrum of actors, from supranational organisations to the private sector, as our overview of recent thought across a range of sectors demonstrates:
1.1 Academia

Although great thinkers have been considering how cities ought to be led since the days of Plato’s Republic, in the last decade city leadership has seen an explosion of interest as a discrete area for academic thought. This development has taken place in a number of different areas. Firstly, the interaction between globalization and city leadership has garnered significant attention, and authors such as Barber (2013) and Acuto (2013) argue that city leaders represent the most effective level of government for responses to global challenges like climate change and sustainability. Secondly, around the turn of the millennium, a stream of academic thought explored the movement in most cities from government towards broader and more pluralised systems of city governance (see for example Rhodes 1997, Stoker 1999, Peters 2000). Authors such as Katz and Bradley see this pluralised system of governance as a key strength of city/metro-regions, and argue that local leaders’ ownership of local problems make them the most effective tier of government. Certain academics have focused on the roles of particular players in this new wider governance system. For example, for Robin Hambleton at the University of Western England, civic or ‘place-based’ leadership is the crucial element of the city governance system. McGuirk (2003), Connolly et al (2006), Bayirbag (2011) and Wetzstein (2013) have explored the role of business leaders in city governance.

Third (and linked to the emergence of broader governance systems) are the observations from academia on the changing nature of ‘the job’ of a city leader. Of these the work of David Harvey has been particularly influential. Harvey notes the movement from managerialism to entrepreneurialism - a shift from focusing on the pure provision of services to citizens to a role that is ‘preoccupied with the exploration of new ways in which to foster and encourage local development and employment growth.’ More recent commentators include Gilles Pinson who argues there is a new generation of political leaders in European cities who are more involved in urban policymaking and less engaged in activities that maintain electoral support. Bradley and Katz propose that in the new dispersed governance systems of modern cities, leaders must participate in network building, vision setting, implementing ‘game-changing’ initiatives and securing funding.

Fourthly and finally, academia has observed the degree of devolution of powers to the city level. The municipal finance expert Enid Slack (University of Toronto) is a thought leader in the field, and has published a suite of papers exploring the governance systems of cities around the world and the extent of fiscal powers available to them. A study by Greg Clark in 2012 examined a different set of world cities’ fiscal empowerment, including Hong Kong and Singapore. It found that Tokyo and New York have the largest city government budgets, around US$70bn annually, which is spent across a full range of responsibilities including education, infrastructure and children. It is in this realm that the relationship between academia and policy has become particularly close, with thought leaders contributing to debate on the merits of further devolution in specific cities. In London for example, Professor Tony Travers’ (LSE) work as chair of the London Finance Commission made the case for devolution of greater fiscal power from the Treasury, while in Manchester Peter Talbot has written extensively on the pros and cons of a Mayoral system in the city.

City leadership is becoming a visible fixture at a number of academic institutions in the UK:

- At UCL, the newly established Department of Science, Technology, Engineering and Public Policy (UCL STEaPP) has established a City Leadership Initiative which aims to improve our understanding of how leadership translates into long-term strategic visions and assess the impact, entrepreneurial approaches and innovative structures that city leaders deploy to confront global challenges. The Initiative is funded by the UK’s Economic and Social Research Council (ESRC), in partnership with the World Bank Group and the United Nations Human Settlements Programme (UN-Habitat).
- The University of Western England (UWE) has a City Leadership professorship (held by Robin Hambleton) and together with Bristol University runs The Bristol Civic Leadership project - an ongoing study designed to assess the benefits of the introduction of a mayoral model of governance in the city.
- The LSE Cities programme was established to relate physical structure to the social structure of cities. Its Annual Urban Age conference addresses critical contemporary urban issues, and in 2014 was on the topic of Governing Urban Futures. The conference and accompanying investigation explored the link between urban governance and our capacities to engage with and shape the future development of cities. Discussions analysed the way urban governance shapes the interlinked policy issues of sustainable growth, innovative infrastructure, and social inclusion in cities.
1.2 Supra-national organisations

Over the last decade, many supranational organisations and international bodies have reflected upon the new challenges that global dynamics are creating for cities, and the need for robust and imaginative leadership to steer cities through a demanding new global age.

- The World Bank and its World Development Report

In 2009, the World Bank published its annual World Development Report, that year on the theme of *Reshaping Economic Geography*. This landmark report openly embraced the new economic geography centred on cities, including their crucial role in poverty reduction, economic growth and sustainability. Its publication marked a step change in the Bank’s attitude towards cities – no longer seeking to manage the side effects of cities and disperse their growth, it began instead to try and harness the benefits of agglomeration economies and density to increase living standards. As a consequence, the Bank has become involved not only in investing in hard projects to support foster development, but also in supporting local government capabilities to grow local revenues, make cities more bankable and improve land management. Two particularly important spin offs have derived from the report:
  - A new World Bank Urban and Local Government strategy, which places the Bank at the forefront of practical thinking on city leadership.
  - A series of Urbanisation Reviews - major analytical projects which aim to give policymakers in targeted nations as full a picture as possible of the effects of urbanisation and a rigorous understanding of the policy decisions which can obtain the best possible results from the process. Reviews have been undertaken to date in China, India, Vietnam, Sri Lanka, Indonesia, Korea, Colombia, Brazil, Uganda, Nigeria, Ghana, Morocco, Tunisia, Jordan, Georgia and Turkey.

- The OECD and its recent papers on metropolitan areas and leadership

In February 2015, the OECD published two major publications: *Governing the City* and *Metropolitan Century – Understanding Urbanisation and its Consequences* which encapsulate the organisation’s experience of the success and failures of metropolitan areas. *The Metropolitan Century* is an overview of the urbanisation process that is shaping this century. It argues that urbanisation is both an opportunity and a challenge, and as such is a process which needs to be shaped by policy makers to ensure that everybody benefits from it.

*Governing the City* meanwhile focuses more specifically on city-region leadership, and on the governance of large metropolitan areas. The report details outcomes of an extensive survey as to how metropolitan areas within the organization are governed, and offers guidance for cities seeking more effective co-ordination across their metropolitan areas. In particular it recommends integrating transport and spatial planning, which form the lion’s share of the work of most metropolitan authorities, and suggests a series of steps for successful reform.

Alongside this work on city-regions and metro areas, the OECD LEED Programme has been carrying out an importance sequence of work on the importance of local economic leadership since the Global Financial Crisis. Three substantive reports (Recession, Recovery and Reinvestment (2009); Organising Local Development (2010) and New Growth and Investment Strategies (2014)) have looked at the issue from different angles: respectively analysing crisis response initiatives, the role of delivery vehicles in reshaping local economies, and how local leadership and governance arrangements influence investment strategies.

The fourth report in the LEED programme of work *Local Economic Leadership* was published in June 2015, and explores the critical role that local leadership plays in creating the framework conditions for inclusive growth. It analysed the experiences of four mid to higher ranking European cities: Amsterdam, Hamburg, Manchester and Stockholm in order to assess how local economies can best capture the leadership dividend. It observed that while no one model of local leadership is necessarily preferable to another, there are underpinning ingredients of success which local economies would be recommended to pursue in working towards the goal of inclusive growth. These include: collaborative strategy making, addressing political fragmentation, enhancing local government autonomy, and a high co-ordination equilibrium between different tiers of government, sectors and institutions. Our own paper draws considerably and openly from this important recent study of leadership.
• The UN and its work on cities and challenges

In 2012 the UN published a report *Challenges and the way forward in the urban sector* which highlights some of the top challenges and priorities for cities over the next 30-50 years. Key challenges are highlighted as migration, segregation and an urgent need for more inclusion, metropolitanization, financialization and privatization, energy efficiency and renewable energy production, as well as methods of public participation. Urban mobility is particularly highlighted. The report recognises that these challenges pose a heavy burden on models of financing and patterns of urban governance, whilst simultaneously requiring cities to become more resilient.

The report highlights ten key recommendations - “The way forward” - for cities to best address these challenges and become more sustainable. These recommendations include: adopting inclusive and locally rooted visions of 21st century cities for all; integrated planning of sustainable urban infrastructures; delegation of appropriate mandates and secure financial resources to the relevant level; and proactive membership of global organisations and city networks.

1.3 Research institutions and consultancies

On a global level, the *McKinsey Global Institute* has carried out important studies with relevance for city leadership. In particular its 2015 study *Unlocking the Future: The Keys to Making Cities Great* interviewed urban leaders from around the world with a view to distilling what it was they could do (and did do) well. The report highlighted that effective urban leaders could:

- *Achieve Smart Growth.* This includes identifying city’s competitive strengths, constructing a winning offer for business and planning ahead for change.
- *Do More with Less* – by collecting, managing and spending resources efficiently.
- *Win Support for Change* - by building shared visions, using pilot projects and enhancing transparency and accountability.

The close relationship between city leadership and growing calls for devolution (in many countries) has brought it into the spotlight of many research and policy institutions. In the UK for example, The *Centre for Cities*’ publication *City Leadership: Giving City-Regions the Power to Grow* is a manifesto for increased devolution of spending and revenue-raising powers to the UK’s largest cities. It recommends (amongst many other items) that improving capacity and skills in local authorities, to further public-private co-operation and promote investment is a vital step for the success of British cities.

Finally, several institutions have developed city benchmarks which measure or rate city governance (generally as part of a wider set of rankings). In particular:

- The *Economist Intelligence Unit* and *Citigroup*’s 2012 ‘HotSpots’ report ranks 120 global cities for ‘institutional effectiveness’. This ranking examined indicators that encourage stability of regulations, predictability and fairness of political processes, and effectiveness of the system. In addition local governments with fiscal autonomy were weighted relatively higher within this category, as these governments were believed to be more effective in formulating and implementing growth strategies.
**Table 1:** Rankings: EIU Hotspots’ City Competitiveness Report - Institutional Effectiveness

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- **AT Kearney**'s Global Cities Outlook 2015 uses ‘governance’ as one of four measures in compiling an assessment of which world cities have the greatest potential for the future. The index measures ‘governance’ using the indicators of ‘transparency, quality of bureaucracy and ease of doing business’. Warsaw was the top rated city, with Dublin and Copenhagen also highly rated on governance measures.\textsuperscript{xxiv}
2. What are the common challenges to which the leadership must respond?

2.1 Common challenges

Our experience in working with cities has highlighted a number of particularly common challenges that cities face, which need leadership attention. The list presented below is by no means exhaustive:

**Growth and change challenges**

i. Building a strong city brand
ii. Economic restructuring in response to changing global markets
iii. Preparing a long term strategy for inclusive growth
iv. Expanding the jobs base in the city
v. Attracting and fostering a workforce with appropriate skills and capabilities

**Infrastructural challenges**

vi. Building a Public Transport System
vii. Building appropriate technological infrastructure
viii. Maintaining and upgrading existing infrastructure
ix. Managing and working with the privatization of infrastructure and service delivery

**Environmental challenges**

x. Influencing Citizen Behaviour around Sustainability including climate change
xi. Responding to disasters including natural catastrophes, terrorism and epidemics
xii. Environmental management – pollution, waste and lack of water

**Social challenges**

xiii. Creating Affordable Low Income Housing
xiv. Reducing crime and improving safety and security
xv. Securing social inclusion and social cohesion

**Governance challenges**

xvi. Open and Participatory Governance in Cities
xvii. Renewing / building public interest in the democratic process
xviii. Building positive relationships with other tiers of government
xix. Working with and within the fragmented and fragile global governance system

**Financial challenges**

xx. Raising and Safeguarding Municipal Finances
xi. Reducing municipal indebtedness
xxii. Integrating ‘new’ financial modes and geographies e.g. Islamic finance

**Service challenges**

xxiii. Improving processes, workflows and efficiency within the city administration
xxiv. Ensuring value for money in delivery of public services
2.2 Differences between the Global North and the Global South

Although cities share many common challenges, it is important to acknowledge that there are vast differences in the imperatives facing city leaders in the Global North and South. A crude comparison of challenges by city size and global region is outlined in Figure 1 (overleaf). This matrix is intended to be broadly illustrative of the fact that different cities face diverse issues, but it is of course a simplification: many challenges overlap in reality and there are vast differences within each region.

![Figure 1: Challenges a typical city leader in the Global North or South might face](image)

Two common issues in cities of the Global South are particularly worth exploring in the context of city leadership. The first is weak urban governance. In general, leadership systems in the Global South have a very different set of institutional competences, and may be characterised by a higher level of informality, lower levels of trust, and less engaged national Governments than their counterparts in the North. They are also more likely to be blighted by corruption and a public perception of corruption.

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<th>Table 2: Average of Worldwide Governance Indicators in the Global North and Global South (Source: Khan (2015) using data compiled by the World Bank)</th>
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<td><strong>Indicators</strong></td>
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<td>Voice and accountability</td>
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<td>Political stability and absence of violence</td>
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Secondly, weak fiscal regimes can also present a significant obstacle for leaders in developing world cities. A 2014 OECD report highlighted that whilst many of the tax challenges faced by developing countries are also faced by advanced economies, there are also specific challenges which loom large in the developing world. These are:

- **Weak tax administrations:** poorly trained officials and a lack of integration
- **Low taxpayer morale, corruption and poor governance:** creating a lack of willingness to pay taxes
- **Prevalence of ‘hard to tax’ sectors:** not necessarily in the informal sector, whose incomes are usually below tax thresholds, but more commonly small businesses and small farms.
- **Dealing with natural resource wealth**
- **Geographical and historical factors:** e.g. shattered administrations in post-conflict economies

The net effect of these issues can be that tax reserves available to city leaders are severely restricted. In 2012 for example, 32 African countries collected less than USD 1 of tax per person per day.\textsuperscript{xxix}
2.3 Example cases: Cities and their challenges

In order to be perceived as successful, cities need to build momentum around a process of continuous evolution that enables challenges to be met by taking the city and its population through waves and cycles of redevelopment and improvement. One city which has successfully built such a process of evolution in recent years is Bilbao, the winner of the first Lee Kuan Yew World City Prize in 2010. A city in the Global South which has secured a similar process of evolution is Medellin, Colombia. The stories of both cities are profiled below.

Case 1: The challenges faced by Medellin’s city leaders

In the early 1990s Medellin was globally notorious. A city where drugs, prostitution and violent crime were rife, Medellin was best known as the ‘murder capital of the world’ and as the home of Pablo Escobar. Aside from problems with crime, inequality in the city was extreme and was exacerbated by its spatial form. 75% of the population – the city’s poorest communities - were housed in steep mountainside barrios which were remote from the city centre and extremely difficult to access. Many workers were forced to commute for more than 2 hours just to reach jobs in the central city. And the city leadership itself was blighted by deep rooted political corruption.

A suite of new laws, which were introduced from 1991 onwards, allowed for political, administrative and some fiscal decentralization in Colombia, and redefined the role of mayors – amongst other things, granting them longer terms. Then in 2004, with the election of a new mayor – a mathematician rather than a politician - things began to change for Medellin. The new mayor, Sergio Fajardo took on the role of champion for Medellin’s poor, driven by a vision of “Bringing together a fragmented society and showing respect for the most humble”. He embarked on a strategy of social urbanism, which sought to integrate the city’s informal areas into the heart of the city. This was done through a series of transformative projects, aimed at building social and physical infrastructure, improving service delivery, increasing mobility and enhancing public spaces. Key projects included connecting mountainside neighbourhoods to the city core with cable cars and giant outdoor escalators, and building neighbourhood Library Parks to foster civic pride. Many of the transformative projects were funded by the city’s well run public utility company.

The success of Medellin’s regeneration was in part due to the inclusion and support of a full complement of city stakeholders. Mayor Sergio Fajardo galvanised effective coalitions of local and regional authorities, local universities and research centres, business groups and citizen organisations, engaging them all in dialogue around transformative projects. Participatory budgeting of 5% of the municipal budget was also implemented to enhance citizen engagement and ensure prioritisation of those projects which mattered most to local people.

Today, the city is held up as a beacon of hope for developing world cities struggling with multiple challenges. In 2012 Medellin was named Innovative City of the Year by the Wall Street Journal and in 2014 it hosted the World Urban Forum – a conference attended by 22,000 urbanists. But the city still has its issues. In particular it continues to struggle with inequality, and retains one of the largest gaps between large and poor in Latin America.
Case 2: The challenges faced by Bilbao’s city leaders

For much of the twentieth century, Bilbao was an industrial powerhouse. Situated on the Bay of Biscay in the north of Spain, wool, shipbuilding, steel and iron industries brought prosperity to the city. However, by the 1980s the forces of globalisation had brought Bilbao into direct competition with new players in emerging markets. The city could not compete on price, and its port function began to decline. Unemployment rose to 27% and the city entered a period of social depression.

The city also had troubles beyond the economy at this time: the separatist group ETA were in one of their most active periods of terrorist activity, and severe flooding of the Nervion River in 1983 destroyed much of the historic city centre. As Deputy Mayor Ibone Bengoetxea recalls “the crisis was not only economic, it was also urban and environmental and it became also a social crisis. All the society was depressed.”

Clearly, the city’s leaders faced challenges on a variety of fronts. In particular, they had to plan a bold new economic strategy for the city, which they knew could never return to prosperity by clinging to its traditional industries. From the late 1980s the multiple layers of local and regional government worked together to produce a jointly supported strategic plan for the revitalization of the city, which was completed in 1991. The resultant Strategic Plan was complemented by the creation of a new agency, Bilbao Metropoli-30, which aimed to secure the co-operation across of all levels of government in reaching the plan’s goals. Other innovative regeneration agencies were also set up, including Bilbao Ria (established in 1992) which assembled land and co-ordinated redevelopment projects identified in an additional Territorial Plan. Bilbao Ria took the form of a PPP with members drawn from the various tiers of local and regional government, as well as major landowners such as the Port and railway companies. In short, the city benefitted from a long term commitment by many stakeholders to systematically pursue a shared vision for its future.

Bilbao is a city leadership success story – a model example of the ‘renaissance city’. Twenty-five significant infrastructure and regeneration projects were implemented during a 25 year period of transformation. It has metamorphosed into a hub of knowledge and culture, and a city with a strong tourist draw. Annual visitor numbers to the city increased from 100,000 in 1996 to more than 700,000 in 2011. The iconic Guggenheim Museum, which was opened in 1997, is recognised worldwide as a symbol of the city’s new identity. Its city leaders’ ingenuity, drive and ability to convene such a broad base of stakeholders has been rewarded with international recognition, including the prestigious Lee Kuan Yew World City Award, and a Mayor of the Year Award granted in 2012 to the late Mayor Inaki Azkuna.
3. The ‘system of leadership’ in cities

The leadership of cities is usually a pluralised and distributed system. Only in a few very empowered cities is the leadership of the city wholly in the control of the individual city leader such as a mayor or head of council. Most cities are now somewhere on a continuum where a wide range of bodies play important roles in the governance of the city. In order to understand city systems of leadership, it is necessary to remember that city leadership is different from management and governance (see Section 1 and below):

<table>
<thead>
<tr>
<th>Concept</th>
<th>Definition</th>
<th>Issues</th>
</tr>
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<tbody>
<tr>
<td>Management</td>
<td>The execution of the formal powers of city government.</td>
<td>City governments lack adequate power and resources.</td>
</tr>
<tr>
<td>Leadership</td>
<td>The use of informal leadership power to overcome gaps and advocate for better city resources.</td>
<td>City leaders are not equally effective at using such “soft powers.”</td>
</tr>
<tr>
<td>Governance</td>
<td>The wider system of organisations and policies that affect city performance.</td>
<td>National and state governments play large roles but are often not guided by urban policies.</td>
</tr>
</tbody>
</table>

As cities have expanded and evolved into metropolitan regions, a large number of local and more broad-based organisations have emerged to serve them. Often the proliferation is a historic outcome of different tiers of government (central, state, regional) offering periodic solutions to urban challenges. Business and civic groups have also convened to fill gaps where necessary. Many cities now have sprawling ‘architectures’ of governance that are hard to track, and in which responsibilities and accountability may well be distributed unevenly.

Mumbai has no overarching metropolitan government. Public service delivery is mostly the responsibility of 17 urban local governments, and especially the Brihanmumbai Municipal Corporation that administers Greater Mumbai. But leads are also taken by a variety of state government parastatal agencies, whose leaders are charged by the Chief Minister with carrying out specific tasks at the metropolitan or regional level. The Mumbai Metropolitan Regional Development Agency leads on long term planning and management of big infrastructure projects, while state road, housing and slum development bodies are highly influential. The central government meanwhile also has agencies such as Bombay Port Trust.

There is a lot of functional overlap between all these bodies, which is made more complicated by political division along party lines. Although not shown in the image below, non-state actors such as Bombay First (a business leadership organisation), the PRAJA Foundation (a civil society group) and the Action for Good Governance Network of India (an advocacy group for local governance issues) also play important roles in Mumbai’s governance system.

Meanwhile in the New York region, governance arrangements are just as complex. Although there is a strong city government with a budget of $75 billion, development has long spilled over the city borders. In total there are over 2,000 municipal divisions, special districts and public authorities in the ‘tri-state’ region, without any institutionalised coordination across the three states that the New York metropolitan area partly covers. The state governments of New York, New Jersey and Connecticut, which each possess significant fiscal and investment power, also have very divergent political systems, values and traditions. In lieu of any region-wide systems, networks of service districts and regional land-use regulatory agencies have been established as a result of effective advocacy by civic groups. Transport authorities such as the Metropolitan Transport Authority (MTA) are charged with delivering some items of investment. Broader-based regional organisations

Simplified map of government bodies involved in Mumbai’s governance system
such as the Regional Plan Association and the Port Authority push forward incremental regional change through active lobbying and alignment of competitive interests and incentive structures.

In both emerging and established cities, fragmented metropolitan governance can often lead to ad-hoc short-termism rather than long-range foresight and preparation. Often their political culture may discourage the vision or appetite for change or new ways of problem-solving for cities. Facing such a situation, city leadership can often play a key role in steering metropolitan areas away from negative or destructive path dependencies.
4. What are the ‘gaps’ in the leadership of cities?

Cities come in different shapes and sizes, and the challenges facing city leaders can be compounded by the structural / governance context within which their city is embedded. As reports by the London Finance Commission, Economist Intelligence Unit, Centre for Cities and others have found, many city leaders work within a governance context which provides them with insufficient formal authority or power to meet the challenges their city faces. The authors’ interviews with city leaders and insights gained from city advisory work concur with these major reports, and suggest that, in particular, city leaders often find themselves struggling with:

i. **Low levels of autonomy / self-government** – Almost all cities (with the exception of a handful of the more empowered ‘city states’ such as Singapore, Hong Kong, Berlin, Hamburg, Tokyo, Vienna, Zurich) are supervised through national and / or state systems. They must operate within national and/or higher tiers of government. The OECD report *Governing the City* found that 69% of the metropolitan areas within the organisation had a metropolitan governance body, but only a quarter of these have substantive regulatory powers. Many city leaders feel they have insufficient powers to be able to implement the policies their cities need. Even in federal systems, governing powers may remain concentrated at the state or provincial level, with little devolution to individual cities.

ii. **Fragmented Governance** – Many national systems, and metropolitan areas, have too many local governments, operating with limited coordination, weak competences and powers, and within fragmented governance systems. As a result, cities are often burdened with a complex mesh of local governments combined with national and subnational bodies, all with different political leadership and reporting mechanisms. This fragmentation and lack of co-ordination can make decision-making unwieldy and problematic, and can prevent city-regions from benefitting from economies of scale across their metropolitan area.

iii. **Short term mandates and short term political thinking** – Most of the development challenges that cities (and indeed nations) face require substantial and continuous action over and through several cycles of development and investment. But, the majority of local governance systems provide city leaders with mandates that span somewhere between 1 and 5 years. In the US for example, the most common mayoral term is four years. Mayors in Morocco, France, South Africa, and the Benelux countries are outliers who benefit from an unusually long term of six years, and in some German states a mayors’ term of office could even last as long as nine years. At the other end of the spectrum in India and Guyana, mayors are restricted to a one year (renewable) term. But even with the longest mayoral mandates, achieving continuity of action and purpose is a challenge when considering longer term issues such as infrastructure investment, settled land use planning, institutional reforms, or public education, and the pursuit of short term agendas is often prioritised. Many cities suffer as a result of short termism in political thinking.

iv. **Lack of national support for urban and spatial agendas and distorting effects of national and state policies/systems/regulations** - In general, there are fewer national governments with specific national urban policies than those without them. Most national governments operate with strong sectoral ministries that find it very difficult to embrace spatial and territorial issues, such as cities, metropolitan areas, or functional regions. Coordination failures among national government ministries are a major barrier to urban agendas worldwide. Where national governments do focus on urban issues, policies have traditionally concentrated on the problems of urbanisation and (in the Western world) de-industrialisation, constraining city leaders’ ability to bring about positive change. Other countries have adopted national policies with, sometimes unintended, ‘anti-urban’ consequences. For example, the Apartheid regime in South Africa was a set of policies which have created lingering problems in the country’s cities. The exclusion of black populations from central city areas created a divided urban landscape, which in turn led to disinvestment and abandonment of some central areas. At the same time, National and State Governments frequently invest in transport policies which encourage sprawl, or level taxes which discourage re-use of urban land in favour of green field sites, or promote ‘regional development’ policies that seek to undermine strong urban centres.
v. **Fiscal and financial deficits** – Many cities lack the fiscal resources to invest in the infrastructure required for long term growth, and operate within a sub-optimal low investment-low return equilibrium. Cities which lack a degree of fiscal autonomy are generally compelled to petition higher tiers of government to win backing for trophy projects, and must compete with other jurisdictions for sources of revenue. Once awarded, grants from national government can come with ‘strings attached’ – requiring money to be spent within a certain time period or in a specific way (and often resulting in privatization of infrastructure and service delivery).

vi. **City-region governance deficits and co-ordination failures** – increasingly, cities have grown beyond their historic political and electoral boundaries. As a result, the functional city region is often governed by multiple local government players. National and higher tiers of government are slow to adjust city boundaries to take account of growth, and as a result proliferation occurs often with stark social conditions emerging in multiple neighbouring municipalities. If the multiple bodies lack co-ordination, city leaders can struggle to align institutions, investment and infrastructure with the functional geography of the whole city-region. Obvious solutions, such as amalgamations of local governments or redrawing of boundaries is rarely attempted by state and national governments as these exercises are politically unpopular, difficult to get right and involves substantial adjustment costs and/or political capital.

The case of Dar es Salaam (Box 3) illustrates how some city leadership teams are simultaneously struggling with several of these deficits:

![Figure 3: Thermometer showing relative empowerment of a selection of world cities](image-url)
Case 3: The Local Government System in Dar es Salaam

In 2000, a metropolitan local government system was established in Dar es Salaam, one of the world’s fastest growing cities. The new model consisted of three municipalities of equal size and the coordinating body, the Dar es Salaam City Council (DCC). The DCC fulfills some specific functions, running of the biggest market, bus terminal and landfill site, but it has no authority over the three municipalities and no jurisdiction over land. This gives the DCC limited power to shape urban development across the metropolitan area. Despite the advantages of strong physical integration across the three municipalities, administrative coordination is still in its early stages.

Although each municipality collects a portion of their own revenue, they are still very reliant on intergovernmental transfers from central government, especially for capital investments. Local governments are also funded through property taxes, which are collected and redistributed through a national tax collection authority. The efficiency of property tax collection in Tanzania has begun to improve, and has resulted in the performance of metropolitan local governments improving markedly.\textsuperscript{vii}

These challenges faced by local governments in cities amount to substantial obstacles in the consistent development of cities. They leave city governments without the tools needed for 21\textsuperscript{st} century urbanisation and they act as a drag on city management practices. Of course, very few cities have either complete autonomy or a total governance deficit. In reality, most are located somewhere on a spectrum between very highly empowered and very lowly empowered. Some examples of relative empowerment are shown in Figure 3 below. The position of a city on the empowerment spectrum dictates the resultant imperatives for its leaders, as Table 3 illustrates.
<table>
<thead>
<tr>
<th></th>
<th>Stakeholders</th>
<th>National Governments</th>
<th>Other cities in national system</th>
<th>Business</th>
<th>Financing</th>
<th>Smartness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Powered</strong></td>
<td>Can engage directly with the private sector, other public agencies, voluntary sector bodies and local communities to act in the best way for their city.</td>
<td>Can act on most matters without recourse to national government.</td>
<td>Collaborate with other cities if / when it is in their mutual interests to do so.</td>
<td>Can engage directly with local private sector interests, perhaps offering incentives to attract investment or working with business to resolve shared challenges e.g. around skills.</td>
<td>Can raise and keep own taxes, and have freedom to raise money in diverse range of ways, including debt finance.</td>
<td>Able to develop bespoke smart city visions and make targeted investments in smart city infrastructure.</td>
</tr>
<tr>
<td><strong>Medium powered</strong></td>
<td>Are plausible leaders in certain areas of devolved power, where they can form effective partnerships with city stakeholders.</td>
<td>Channels / procedures may exist for negotiating agreements with national governments to secure autonomy in certain areas.</td>
<td>May collaborate with other cities in order to garner more resources / attention from national level.</td>
<td>Partners and negotiates with business, but also remains reliant on business voice to advocate with higher tiers.</td>
<td>May have control over some taxes, but remain in competition for government transfers in other areas.</td>
<td>May be able to tailor national smart city policies to fit local priorities.</td>
</tr>
<tr>
<td><strong>Low powered</strong></td>
<td>May find it hard to establish credibility as a leader on any topic.</td>
<td>Will need to win confidence of national government to promote reforms</td>
<td>Will see other cities as competitors for national resources and attention.</td>
<td>Can be dominated by business interest but need business voice for advocacy for them.</td>
<td>Have low fiscal powers and must petition higher tiers of Gov for transfer payments.</td>
<td>Hard to develop smart city approaches with low levels of empowerment / span of control so must position as convenor.</td>
</tr>
</tbody>
</table>
Part 2: Filling the gaps

5. Who are the leaders involved in city governance?

The shift from government towards more pluralised systems of governance means that increasingly, city authority is distributed both horizontally and vertically. This means that leadership needs to come from several different places if a city is to function well:

5.1 Government

Cities come in different shapes and sizes, with different economic, political, institutional and cultural contexts. Although local government always forms part of a city’s dispersed government system, the institutional and governance framework within which a city sits can result in local government city leaders having very different powers available to them from one city to the next. Some key government differentials include:

- Unitary vs Federal National Systems

Unitary systems create cities that are subordinate to the national government, because governing powers are granted (subject to removal) by the higher tier. London, Paris, Stockholm, Seoul, Tokyo and Rome are examples of cities in unitary nations. In federal systems, by contrast, states, city-states and provinces have a substantial degree of sovereignty which in many (but not all) cases has translated into more empowered city governments. Sydney, São Paulo, Berlin, Toronto, and Los Angeles are cities in federal nations.

A third distinct category is the city-state system, where the city is an independent or autonomous entity, not administered as a part of another tier of government. The only examples of this system are found in Monaco, Singapore and Vatican City. Hong Kong and Macau also enjoy a similar degree of autonomy, although they are technically under the sovereign rule of China.

- One Tier System vs Two Tier System

Under a consolidated one tier model of urban governance, a single local government is responsible for providing the full range of local services and has a geographic boundary that covers the entire urban area. The one tier consolidated model is not very common – Shanghai and Metropolitan Louisville are two of the few examples. The advantages of one tier consolidated systems are seen to be better service coordination, clearer accountability, more streamlined decision making and generally greater efficiencies, as metropolitan leaders take advantage of economies of scale. However, the scale of some global mega-cities can make a single tier consolidated system unattractive.

More common is a fragmented one tier governance system, in which a metropolitan area has a large number of co-existing and autonomous local government units or bodies each delivering services within their own boundaries. Chicago’s metropolitan area for example has 464 local governments, including counties, municipalities, and townships. Mega-cities in the developing world are frequently characterised by fragmented one tier systems, largely as a result of their sheer scale. The smaller units of local government in fragmented systems are closer to citizens, and therefore have the advantage of being more accessible and responsive. However co-ordination is difficult on metropolitan-wide issues, and it is harder to achieve economies of scale or address spillovers.

Under a two tier model of urban governance, an upper-tier governing body (usually encompassing a region, district or metropolitan area) exists alongside lower tier municipalities (made up of cities, towns, villages, etc). The upper tier provides region-wide services, which benefit from economies of scale, for example public health services, roads, police and fire services, whilst the lower tier provides services which are more local in nature and therefore benefit from local responsiveness e.g. parks, libraries, street lighting and pavements. Toronto, London, Marseilles and Madrid are examples of cities with two tiers of government. Proponents of two tier systems argue that they have advantages in terms of accountability, efficiency, and local responsiveness.
However critics argue that costs are higher because of waste and duplication between the two layers of government. The structure is arguably less transparent and offers scope for tension.\textsuperscript{lv}

- **Administrative Structure**

  A Mayor-Council local government system echoes the administrative structure of national government. The council is elected, usually by election of one representative from each district, and headed by a council leader or mayor (who may be directly or indirectly elected – see section 4.2). The council leader / mayor may choose a cabinet of advisors from within the council, just as a Prime minister would at the national level.

  The Mayor-Council government model has the advantage of bringing the government closer to voters, as the individuals that are responsible for both formulating city policy and operating government are directly elected by the citizens. Opponents of the system argue that good politicians are not always necessarily good administrators, and can lack the skills which civil servants could otherwise bring to the administration (as they do under the City Manager model – see below).

  Some cities do not have one individual as the figurehead of the executive, but rather have a small group of elected individuals – a **Commission** or **Committee** who undertake decision making collectively. Under this system, each elected official is both a member of the committee and head of one or more administrative departments. The commissioners make policy and also implement it. While one of these commissioners may be appointed as the chairperson or called the mayor, they will not have any extra powers.\textsuperscript{lxi} The system has been criticised because it leads to the departmentalisation of local government functions. The complexity of the system is also thought to act as a barrier to identifiable political accountability.\textsuperscript{lxvi} A minority of European countries are based on the **government by committee** system (some cities in the UK and in Scandinavian countries particularly). It is also present in some US cities.

  Sometimes cities appoint a **City Manager** to head the administration. This effectively places executive authority in the hands of a professional appointed to manage the administrative affairs of a city, often an experienced civil servant. The city manager has not been elected by the public or council members but has been hired, and thus has no specific term of office. They continue with their job till they meet the requirements of the council. A city manager generally co-exists with the mayor and council – the politicians continue to define the long term political and economic objectives for the city, whilst the manager is responsible for implementation or 'operations'. The city manager often also has certain powers that pertain to law enforcement and service provision.\textsuperscript{lxi} Variations on this model exist in cities in the US, Finland, Ireland, South Africa and Iceland amongst other countries. Although this model separates the planning and the implementation functions of local government, its success depends on the level of coordination between the two authorities.\textsuperscript{lxi} The advantage of the city manager model is the degree of professionalism that the manager can bring to his role.

- **Method of Appointment of City Leader**

  Where a city is led by the figurehead of a mayor, the appointment of that individual can come about in a number of different ways.

  A city mayor is often **directly elected** by citizens, independently of the wider city government. Mayors are directly elected in many Eastern European states, including Bulgaria, Poland, Romania, Slovakia and Slovenia, and in many US and Australian cities. Direct election of mayors has also replaced more autocratic systems in cities such as Buenos Aires and Calcutta. The system has been growing in popularity, and in recent years mayoral elections have been introduced in some cities in England, Germany and Italy (see **Case 4 and Box The Growing Popularity of Directly Elected Mayors**).

  This form of city leadership is by definition democratic. Decision making by a directly elected mayor is generally more transparent than that by a council leader, and elected mayors are at least morally bound to policies or development programmes that were propagated during their election campaign. Directly elected mayors are generally highly visible figures – good examples include Bill de Blasio of New York or former Mayor Boris Johnson of London - and a paper by Swianiewicz et al (2004) found that they exercised more autonomy, independence and assertiveness in the management process than other types of mayor.\textsuperscript{lxx}

  However, a perceived drawback of the 'Elected Mayors' model is that the successful operation of the city becomes relatively dependent on the personality of the chosen leader. While a charismatic leader with strong
ideas has the potential to enhance the economic and social growth of a city, one with controversial or bad ideas may inhibit the success of the city. The former Mayor of Toronto, the late Rob Ford, is an extreme example of how a mayor can singlehandedly damage a city’s image. The extent of powers granted to an elected mayor and his ability to use and evolve them also determines the success of this model.

The other dominant method of mayoral appointment is the selection of a Councillor from within the Council to act as mayor. This system is prevalent throughout Continental European countries. It can be the case that the Council ‘elect’ a leader from amongst themselves. Cities in the Czech Republic, Scandinavia and the Baltic nations are some of those which adopt this system. However in many cities, the mayor is effectively ‘chosen’ in advance of the council elections, as the post is automatically filled by the individual at the ‘Head’ of the majority party’s list. Portuguese, Spanish, Croatian and Greek cities follow this model.

A less prevalent system is the appointment of the mayor by a higher tier of authority – usually by the national government or the President, but in some cases even by the Crown. This system exists in the Benelux countries (see Case 5), but also in Belarus and other nations.

Case 4: The emergence of a New Localism in the UK

The ‘New Localism’ is a concept which is gradually changing the governance backdrop of the UK. Originally associated with the UK’s New Labour government of the late 1990s / 2000s, New Localism is a conceptual framework for the devolution of increased power to the local level. However it primarily envisages local managers being empowered and encouraged to meet national goals, rather than to develop their own local politics and policies, which remain the responsibility of central government. New Localism also takes a wide view of place based leadership – incorporating civic groups and authorities such as the police and health services.

In the UK, which is a highly centralised state, policies designed to enhance local capacity have been introduced both under New Labour and also since 2010 by the Coalition government, notably via the Localism Act 2011 which introduced (amongst other innovations) the possibility of direct election of mayors, locally elected police commissioners, greater local control over business rates, and increased freedom for councils to organise themselves and run their affairs. The Coalition government’s ‘Big Society’ agenda – based on the theory that power should be shifted away from the state towards community institutions, charities, civic groups etc - is a related set of policies which are also heralding changes in the governance landscape of the UK’s cities.
The growing popularity of directly elected mayors

Direct election of mayors has been the traditional system of mayoral appointment in some countries for many years. In the United States for example, certain cities including New York, Boston and San Francisco have been holding public mayoral elections since the early 19th century. Direct election is in contrast to the system in China, Belgium, Luxembourg, the Netherlands, and others where mayors are appointed by central government. Different again are the systems of France, Russia, Spain and Greece (amongst others) where mayors are indirectly elected, being appointed from within the council by the (democratically elected) councilors. In recent years however, many countries have moved from their traditional systems of government to adopt the direct election model:

In Italy, corruption scandals in the late 80s and early 90s lead to a crisis of confidence in the political system, and in 1993 the Italian government passed a new law allowing direct election of mayors for the first time. Such was the contemporary discontent with politicians, some of the newly elected mayors were chosen from outside of the political system. In Turin for example, Valentino Castellani, an academic from the city’s Polytechnic University was elected as the first mayor. He introduced important changes to city governance, introducing a new system of strategic city planning which involved stakeholders from across the city, including the private sector and civil society.

In Auckland, New Zealand a 2009 Royal Commission carried out a thorough study of approaches to metropolitan governance, and recommended the introduction of a directly elected mayor to preside over a larger, newly created, unitary authority. The Government implemented the recommendation, and Len Brown was elected as Mayor of a newly enlarged Auckland in November 2010. The new ‘Super Auckland’ is the largest local authority in Australasia.

In June 2014, Lithuania was the latest national government to approve a new system of direct mayoral election, following a decade of discussion and debate. Other countries have partially adopted direct election of mayors, or have adapted their existing systems to allow cities to choose their own course. In Germany direct election of mayors was adopted at different times throughout the 1990s by the country’s various Landes (States). Today, direct mayoral election is in place in every state in the country except for Berlin, Hamburg and Bremen, where election is via the city council.

In the UK, the position of a directly elected Mayor of London was created for the first time by the Local Government Act 2000, with the intention of strengthening the institutional capacity of London to act as a global city. Mayor Livingstone and later Johnson were widely welcomed as valuable additions to the capital’s governance landscape. A decade later, the Localism Act 2011 provided for the possibility of directly elected mayors, subject to confirmatory referendum, in England’s largest cities. Bristol and Liverpool have subsequently introduced the direct election system, but other major cities including Leeds, Sheffield, Bradford, Coventry, Wakefield, Nottingham and Manchester turned down the same opportunity at referenda held in 2012. This has created a patchwork of governance models in the UK, with a variety of recent innovations – including direct mayoral election, but also Combined Authority (Manchester) and indirect election (e.g. Glasgow) models – working successfully. Furthermore, the patchwork pattern is continually evolving. The next projected change will be the introduction of a directly elected city-region mayor in Manchester: an accountability requirement imposed by the Treasury in return for greater devolution of powers to the GMCA.
Case 5: Appointment of the Burgomaster in Amsterdam

In Amsterdam, the Mayor (or ‘Burgomaster’) is appointed by the Crown on the recommendation of the Cabinet. As such the Mayor is both a representative of the city and an agent of central government. The Mayor heads the council, and also a board of 6 aldermen, who are elected from within the council – making the Mayor the only ‘external’ appointment. In terms of responsibilities, the board is chiefly concerned with day to day administration and with executing the decisions of the council. The council is the primary body and highest authority in the city. However it has no influence over the mayoral appointment and has often been dissatisfied with the choice or political leanings of the individual chosen. The Mayor also has some powers which are granted to him in his individual capacity and for which he is not accountable to the council. For example, he is head of the municipal police and is responsible for maintaining public order.

• Power of Mayors

The characterisation of a mayor as either ‘strong’ or ‘weak’ is a North American practice. However, an examination of the typical characteristics of a strong/weak mayor does show the differences in autonomy, authority and political power that a mayor in any city worldwide may have. In practice of course an individual mayor’s powers may be anywhere on the spectrum between strong and weak.

Strong mayors are typically directly elected, and as such their political autonomy is justified as a function of the democratic process. They may direct the administrative structure of the council, appointing and removing department heads. Strong mayors can delegate their powers to the council, and often propose the budget and policy framework documents. Significantly, a strong mayor may also have veto powers over the council’s decisions. Weak mayors have limited power and usually do not have veto power over the council. In a weak mayor system there may also be many administrative boards and commissions that operate independently from the city government.

Some cities have ceremonial mayors – those who perform only the ceremonial duties associated with their post. These leaders can be legally bound to perform the presiding and ceremonial duties, but they generally do not take any active part in the political affairs of the city. A ceremonial mayor may co-exist alongside a separate mayor who has executive and/or legislative power. Ceremonial mayors are common in British and Irish cities (where they are called Lord Mayors) including Manchester, Dublin, the City of London, Bristol, Plymouth and Chester.

In his 2013 book Cities Are Good for You Leo Hollis contrasts real world examples of city leaders at either end of a notional strong-weak spectrum. Singapore is described as a Hobbesian ideal of an autocracy in which leaders take decisions on behalf of their citizens, whilst Newark, New Jersey is described as a Lockean vision of a city governance based on a ‘mutual pooling of rights’ in which citizens voluntarily hand over their decision making powers to the leaders of the city in a type of social contract. In practice most cities have leaderships at different points along the Hobbesian – Lockean / strong-weak spectrum.

Perhaps more tangibly, the C40-Arup report series Climate Action in Megacities effectively illustrates the varying extent of powers which leaders of different cities may have when it comes to fighting climate change and highlights regional differences in powers of the more than 80 city members of the C40 network. For example, in Climate Action in Megacities 2.0 it is reported that mayors in Africa, Europe, Latin America, North America and East Asia have strong powers over traffic lights and signals. However, in South and West Asia, mayors on average had limited powers in this area. Similarly, cities in Africa and East Asia reported the strongest control over community-scale development, parks and nature reserves. Together, C40-Arup and UCL have developed a classification of city governance types to help understand a city’s capacity to take action against climate change. The types are categorised as:
Although democratic local government is an essential ingredient in city leadership, as section 2 explored, in most cities it is no longer a sufficient ingredient to constitute effective city leadership on its own. The governance deficits which city governments face (as set out in section 2) mean that a wide range of other bodies are increasingly involved in the governance of the city.

These additional bodies act as a complementary force to local government. They can supplement the powers, geographical reach and expertise of local government, and also provide a voice for stakeholders who are not represented by the local electoral system, but who nonetheless have an interest in the city and its future. These stakeholders might be commuters who live outside of the city limits, business visitors, tourists, or citizens who are too young to vote. As such, the wider governance system can act as an important counter-balance to local government (which is incentivised by its institutional framework to prioritise the interests of present day local residents) and can fill an important space by articulating the needs of the future city, and of a wider group of stakeholders.

Two particularly important groups in the wider governance system are civic leadership and business leadership groups:

**5.2 Civic leadership**

Civic leadership is an umbrella term which encompasses all leadership activity within a given locality that serves a public purpose. Civic leaders can therefore hail from any number of bodies: they may be representatives from religious groups, trade unions, universities, charities or members of the community, for example. They may also be elected officials, or members of the private sector. The distinguishing feature of civic leadership is that it is place-based: that is civic leaders are concerned about focusing on the needs of a 'place'. Hambleton splits civic leaders into three groups:

- Political leadership: those people elected to leadership positions by the citizenry, including local councillors. They have a right to exercise political power, distinguishing them from other local leaders.
Managerial leadership: including public servants appointed by local authorities, central government and the third sector to plan and manage public services, and promote community wellbeing.

- Community leadership: civic-minded 'members of the public' including community activists, business leaders, voluntary sector leaders, figures in religious organisations or higher education.

The influence that each of these ‘types’ of leader may have in a given place has been demonstrated clearly in Freiburg (Case 6), a city with a strong history of community leadership and campaigning.

**Case 6: Freiburg, Germany**

All three typologies of Hambleton’s civic leader have played a part in making Freiburg a world leading Green city and a model of sustainable urbanism. Political leadership has been critical in promoting, driving and implementing green policies. The city is run by a city council of 48 members and a Mayor who is elected by citizens for a period of eight years. The Green Party has strong roots in the city and 12 council members belong to the party. Dieter Salomon has been Mayor of the City since 2002, and is also a Green Party member.

Managerial leaders have also played a part in the city’s development. Hall (2013) credits Wulf Daseking as particularly influential - as Director of Planning in Freiburg his strong, professional leadership contributed to the planning and design work of the city. In 2011 the Academy of Urbanism made Wulf Daseking an Honorary Member of the Academy in recognition of his outstanding contributions to city planning and urban design.

Finally, the foundations of the city’s ‘green’ nature can be traced back to community leadership efforts. During the 1970s, community activists successfully campaigned against a proposal to locate a nuclear power station in nearby Wyhl. Campaigners consisted of a spectrum of community members including farmers, businessmen and students. The campaign proved to be the beginnings of a community ‘green’ movement, which has culminated in today’s internationally recognised sustainable city.

However it is important to recognise that community or ‘public’ city leadership need not be restricted to campaigning and advocacy. Increasingly, members of the public are playing a more direct role in the development and management of their cities: funding their chosen projects directly, rather than by way of taxes (see Box Crowdsourcing and Crowdfunding in City Development), forming their own associations to promote community development (Case 7) and even acting as thought-leaders, coming up with innovative ways to strengthen their cities (Case 8).
Crowdsourcing and crowdfunding in city development

Crowdsourcing is a method of enlisting the services of large numbers of individuals over the internet. The process is becoming an increasingly commonly used tool in city management and development, as it enables interested parties to collate ideas, priorities and ideas about their city. In Hamburg for example, NextHamburg is a citizen driven future city project, which collates citizen’s ideas and proposals for future development in the city. More than 600 projects have been proposed to date and supplied to the city authorities.

Crowdsourcing provides an innovative means of assessing citizen priorities, validating projects, and coming up with fresh ideas for the city. Crowdfunding on the other hand provides an alternative form of city finance, by enabling individuals to contribute towards the costs of particular projects. Crowdfunds can be raised on an equity or debt based model, or on a non-financial rewards basis.

In the context of city development, crowdfunding is most commonly used to fund individual projects. For example, in Kansas City the locally owned and operated Bcycle bike-sharing scheme is now being expanded using crowdfunding. But some cities are now developing their own crowdfunding platforms at the city level, bringing together a pool of funders and city stakeholders. One example is #MakeMCR where people with project ideas for the city of Manchester can seek funding.

Case 7: Community development corporations in the USA

Community development corporations (CDCs) are one tool used in the USA to plug gaps in formal local level service provision. These place-based not-for-profit organizations provide programs or offer services to promote community development, and are most commonly operational in low-income low-investment neighbourhoods. Typically a CDC will operate as a private developer would, but with a board composed of development experts and local citizens. CDC funding generally comes from government sources or private philanthropies, and is leveraged via banks or other investors. Profits are reinvested in the local community.

CDCs often have a focus on developing affordable housing, but can be involved in any aspect of city development, from sanitation to economic development. They may invest in local businesses or provide education and social services to citizens, including job training or healthcare. It is thought that there are more than 2000 CDCs in the USA (National Congress for Community Economic Development).
Case 8: Citizen alliances in Toronto

In a region that lacks municipal capacity and shared metropolitan leadership between different tiers of government, Toronto’s civic leadership has made an important contribution to social and economic development over the past 15 years. The establishment of the Toronto City Summit Alliance, later renamed Greater Toronto CivicAction Alliance (CivicAction) brought together a wide mix of leaders and volunteers to debate metropolitan challenges. By building a common fact base and incubating new ideas, CivicAction has helped launch initiatives such as income support reform to help the working poor, an immigrant employment council (TRIEC), and a sustainability strategy called Greening Greater Toronto.

Toronto’s civic leadership has also driven the agenda to enhance the representation of minorities and marginalised groups as experts, leaders, board members, and elected officials. CivicAction and the Maytree Foundation (a charity which aims to reduce poverty and inequality, and build strong civic communities in Canada) were instrumental in raising awareness that a more diverse leadership was required to create a stronger and more prosperous metropolitan region. Their DiverseCity project aimed to generate the buy-in and participation of organisations, governments, businesses, and individuals from across Greater Toronto in several action-oriented leadership development initiatives across the public, corporate, and non-profit sectors.

5.3 Business leadership organisations

Business Leadership Groups (BLGs) are important actors in the leadership and governance landscapes of many cities. The formation of business leadership groups is a recent and growing trend, wherein local business leaders join together to form groups which advocate for pro-business and pro-globalisation policies, for infrastructure and skills development. Often such groups focus attention on the need for enhanced infrastructure and connectivity, common metropolitan visions, and a stronger case to national and higher order governments for investment. They usually partner with local governments and do not seek to replace them or provide an alternative government.

In many cities, business groups have assembled in response to a lack of confidence in the existing government to manage future cycles of development successfully, whether in terms of economy, amenity or liveability. They can make a decisive difference to city development by helping to fill the gaps in the governance system. In Sydney, for example, the Olympic Business Roundtable offered representation from business and industry associations alongside Sydney City Council to maximise the commercial benefits of the 2000 Olympics. Shortly afterwards, in 1997, the Committee for Sydney (Case 9) formed, a 40-member body of businesspeople and academics, whose purpose was to advocate for economic and development planning strategies that support Sydney as a confident global city with a clear plan for the future. In Stockholm meanwhile, tacit support from the business community has lent real strength to the municipal leadership’s brand and investment attraction strategies.
Case 9: Committee for Sydney

The Committee for Sydney is an independent organization comprised of around 40 members from major companies in the city as well as universities, not-for-profits, strategically significant local governments and key cultural, sporting and marketing bodies.

The Committee’s members work collaboratively to develop policy and expertise to ensure that Sydney retains and grows its competitive global status. The Committee champions four priorities: managing the growth of Sydney; keeping Sydney moving; promoting and enhancing the appeal of Sydney; and competitiveness and productivity for the city and the nation.

BLGs have the advantage of escaping many of the constraints which bind local government. For example, they are able to think well beyond short-term electoral cycles, and can frame their thinking in terms of the business and economic cycles which are most relevant to city development. They can also look beyond local political geography and the silos of municipalities to consider their city’s entire functional economic region and to recognise inter-linkages with neighbouring towns and cities. Most important, BLGs have become important advocates for improvements in city governance by lending their voice to campaigns for greater investment and great devolution of powers to cities, by petitioning higher tiers of government in their role of customers of governments, rather than subordinate tiers of local governance.

BLGs can add particular value in the following areas:

Advocate. They can advocate more effectively with higher tiers of government than local government can because they represent ‘customers’ rather than ‘subordinates’ of national and regional governments and have greater leverage.

Promotion and attraction. They can attract corporate investment and retention by offering a ready home or ‘club’ for incoming business leaders and by articulating the attractiveness of the city/metropolitan area as a business platform from the position of ‘credible’ users.

Collaboration. They can encourage metropolitan and city regional collaboration because they are often engaged in several different neighbouring municipalities at the same time and can easily point out the futility of inter-local competition.

Consensus building. They can also encourage cross-party and bi-partisan consensus and collaboration because they are non partisan.

Sponsorship. They can pay of the costs of certain activities that it may be difficult for local governments to fund directly (e.g. hosting of celebrity speakers, or bidding to stage events, or advertising for the city).

Brokerage. They can broker participation of other leading organisations such as Universities, Airports, Cultural & Sports Institutions, and many others by broadening the base of organisations involved in promoting city & metropolitan development.

Innovation. They can improve the quality and innovation of city and metropolitan development strategies and programmes by using business know how in contested markets, such as through branding and marketing, financial innovation, and benchmarking.

Communication. They can communicate more effectively with media the need for city & metropolitan development and may be seen as less self serving than local governments in doing so.
**Organisation.** They can be an organising vehicle for combined corporate social responsibility activity on a larger scale than is possible when firms and their leaders act alone.

**Internationalisation.** They bring to bear international experience rapidly through their networks and branches in other countries, and can especially reflect demand side opportunities that others within the city may be less aware of.

BLGs have become a driving leadership force in almost all of the world’s most successful cities (see for example Case 10 and Case 11). They are equally prominent in high-income cities where there is central government fiscal support, extensive public land ownership, and strong planning controls, as they are in cities lacking these advantages. BLGs located in global cities include London First (Case 12), which is a key player in London’s governance landscape, and the New York City Partnership which plays a similar role in New York. Bombay First, World Business Chicago, Edinburgh Business Forum and the Committee for Melbourne are equivalent organisations.

**Case 10: Committee for Auckland**

**Committee for Auckland** is a thought leadership organisation which has been set up ‘to contribute to making Auckland one of the world’s great places to live and work’. Members comprise leaders from the private sector, tertiary and not for profit sectors, who support long and short term projects which seek to promote positive change for Auckland. Current projects include *Enabling Future Auckland* – a project which brings together local and central government, business leaders and thought leaders to consider a new funding framework for Auckland’s city government. The group also engages in advocacy – it is currently petitioning Auckland Council to address a lack of planning for the region’s three harbours.

The Committee for Auckland forms part of the Committees for Cities & Regions, which is an influential network of business leadership organisations in Australia and New Zealand, each of which independently operate within their particular city or regional area to enhance their economic, social, cultural and environmental development.
Case 11: Barcelona Global

Barcelona Global is a not-for-profit private sector association which was formed by business leaders and companies who ‘care about Barcelona and its future’. The association’s mission is: ‘to actively contribute to making Barcelona one of the most attractive cities in the world to attract and develop talent and economic activity’. Its c.200 members represent companies which make up the majority of Barcelona’s employment, as well as individual business people with ‘reputation and talent’.

In the latest economic cycle, Barcelona has struggled to develop a business brand of the same strength as its world-leading tourism brand. Barcelona Global’s members are seeking to address this gap by conceiving and implementing projects to enhance the city’s status as a globally competitive destination for business. Some ongoing initiatives include ‘This Way Up’ – a project which aims to make Barcelona the European capital of entrepreneurship and ‘Brand Barcelona’ – a collaborative initiative with the City Council to promote, protect and manage the city’s brand.

Case 12: London First

London First is a business leadership group comprised of around 200 members who represent London’s leading businesses. Together, London First’s members account for approximately 25% of the GDP of the city. The organisation’s mission is to make London the best city in the world in which to do business.

London First advocates on behalf of its members, with the aim of influencing national and local government policies and investment decisions to support London’s global competitiveness. Its advocacy is not limited to ‘business’ policies – at present it is campaigning for an increase in housing supply in the capital, for London to be given greater autonomy over investment decisions, and for a business led economic development strategy.

Amongst the group’s most notable successes to date was the crucial brokering role it played between central government and London’s business community to ensure the success and survival of the Cross Rail project. Specifically, London First facilitated a deal that sees over two thirds of the project’s anticipated cost of £15.9 billion coming from future fare revenue, a range of private sector contributions and a supplement on business rates paid by London’s larger businesses.

But these groups are not only relevant to the world’s biggest and most globalised cities, or to the developed world. Groups are also being established in many emerging city economies, triggered by a variety of forces. First, shifts in national economic policy have spurred the creation of new forms of state-business relationship.
and business involvement in local governance. In China, for example, four cities including Shanghai were chosen as experiments for the re-establishment of chambers of commerce in 1997, a century after they were first introduced. Second, as developing countries undertake economic reforms in a context of weak state policy capacity, local business associations have emerged in cities, with at least some distance from national or local party politics. One early example was South Africa’s Urban Foundation, set up and financed by businessmen to improve the plight of urban Africans, and which exercised influence as a political pressure group. More recently, the role of business leadership filling a governance vacuum has been highlighted in cities such as Gaziantep, Turkey. In Colombia, ProBarranquilla and ProAntioquia have been vital forces in city and regional development. ProBogota has recently been launched in the capital in response to their success (Case 13). Third, leading edge sectors in many emerging cities (e.g. Bangalore) have led the demand for improved infrastructure and regulatory reform, creating task forces or other institutional vehicles that reduce reliance on the public sector.

**Case 13: Pro Bogota**

On June 9 2014, a group of Colombian business leaders came together to launch a new organisation: Pro Bogota. The organization aims to utilise the can-do style of private sector leaders to design a better future for the Colombian capital city-region.

Pro Bogota debates, develops and proposes policies and strategies to enhance the global competitiveness of Bogota and its surrounding region. Its members comprise 70 companies based in, or with an interest in, the city including global and regional heavyweights such as the Bolivar Group, Santo Domingo Group, Colpatria Bank, Semana magazine, the Corona Organisation and McKinsey & Co. Although all members come from the business world, Pro Bogota will consider and hope to influence a full range of urban issues including mobility, infrastructure, public services, crime and security, health and education. It will also encourage dialogue between different sectors, and work in partnership with other institutions, organisations and public authorities to build the city’s economic strength.

5.4 Metropolitan areas and city regions

Metropolitan areas, city regions, and functional regions/areas are one important focus of debates about city governance. Rapid growth of cities means that many have extended beyond their original geographical boundaries and the effective city is now under the control of many different neighbouring local governments. This creates the most fundamental of governance challenges for cities: how to create coherent rather competitive relations between such neighbouring local governments within a single city region? And how to encourage the other players in city governance systems (higher tier governments, private and civic sectors, and other authorities) to play their roles in ways which support the city-region or metropolitan area as a whole, and contribute to its leadership. Bruce Katz and Jennifer Bradley (2013) have pointed out that metropolitan areas are effectively now lead through networks of ‘tens if not hundreds of thousands of leaders’ who must collectively steward and guide their regions and coproduce their economies.

Governance reform in city-regions and metropolitan areas is an important topic in many urbanising countries, and cities such as Barcelona, Frankfurt, London, Montreal, Portland and Copenhagen have instituted governance reforms in recent decades. When national and higher tier governments look at metropolitan areas they face some stark and politically difficult choices. Should they:
• Redraw the formal geographical boundaries of the city so that the main city government controls and manages a wider territory (as done recently in Moscow, previously in Brisbane (Case 14), and elsewhere)?

Case 14: Redrawing municipal boundaries in Brisbane

In April 2015 the Electoral Commission of Queensland (ECQ) conducted a redistribution of electoral wards within the City of Brisbane, in preparation for the next Local Government election on 19 March 2016. The Commission deemed that changes to the boundaries were necessary following population change in the city-region, in order to keep population within wards a similar size. The intention is that following the redistribution there will be around 27,000 people per ward in Brisbane. One new wards will be created in Coorparoo on the Southside of the city, whilst other wards have been split in half or pooled.

• Develop a new governance system that consolidates various local entities into either a new single tier (Auckland, Manchester) or two tier (Miami, London) system of governance?

Case 15: Developing New Governance systems in Auckland, Greater Manchester and Greater London

For decades, Auckland was held back by fragmented and competing governance structures, whose short-term decision-making produced infrastructure deficits, car-dependency, and inefficient land use. But in 2010, after a 3 year Royal Commission established by the New Zealand government, a merger was proposed of the Auckland region’s eight councils into one “super city”, governed under a new executive mayor and 20 councillors. This meant an unprecedented organisational consolidation into one new Auckland Council with 8,500 staff and an annual budget of $3 billion.

Members of the governing body are elected from 13 wards on a first-past-the-post system every three years at the same time as the mayor. The Council’s services and activities (transport, waterfront, tourism, property etc.) are delivered by 7 Council-controlled organisations - corporate entities operating at arms-length with board members appointed for their business acumen. Greater clarity of the roles of different bodies, especially local boards, and of the relationship between central government and the Council, has developed since amalgamation.

The reform has allowed Auckland to pursue its liveability ambitions more actively within an integrated 30-year spatial and infrastructure plan, called the Auckland Plan. In July 2012, Auckland moved up four places to be ranked as the ninth most liveable city in the world on Monocle Magazine’s annual quality of life top 25 cities index. Monocle Magazine attributed the lift, among other things, to Auckland’s new governance structure. The improvement was similarly reflected in a rise from fifth place in the Mercer Worldwide Quality of Living Survey (2009) to third by 2011. Governance reform has also improved economies of scale and helped Auckland Council maintain services at reduced cost – with annual operating savings budgeted to be $188million by June 2018.

In Manchester meanwhile, a Combined Authority model was first established in 2011, when the City of Manchester amalgamated with nine other local authorities into one overarching authority – the Greater Manchester Combined Authority (GMCA). The GMCA represents one of the first
attempts by a city government in the UK to match political geography to its functional economic area, and is the first statutory combined system of its type in the UK.

GMCA assumed the roles of the previous regionwide Transport Authority as well as remits for economic development and regeneration. It has provided an accountable focus for economic interventions within a single labour market, and is underpinned by a mature business leadership structure taking responsibility for delivering economic programmes. GMCA has partnered with other metropolitan bodies such as Transport for Greater Manchester and the Local Enterprise Partnership to put forward a unified voice for the local economy, and to develop a joint vision for growth. Despite the challenge of evolving from a voluntary group of 10 authorities to a formal government system, the organic character of the collaboration has supported this adaptation and allowed all 10 members to feel ownership in the new system.

Governance reform took place a decade earlier in London, where the Greater London Authority (GLA) was established in 2000 to replace a mass of joint boards and quangos which had proliferated since the abolition of the Greater London Council in 1986. With the authority’s introduction, an elected upper tier of local government was created for the capital, with powers over transport, policing, economic development, and fire and emergency planning. The Authority consists of a directly elected executive Mayor of London, and an elected 25-member London Assembly. The authority sits above the 33 (pre-existing) London boroughs, who retain responsibility for local level services such as schools, roads and refuse collection.

- Develop a new upper tier body which is part of a higher tier of government (Mumbai, Manila MRDA)?

**Case 16: Creating a new tier of government in Mumbai**

Mumbai experienced explosive growth in the twentieth century, growing from a city of around 1 million people in 1900 to a metropolitan region of close to 23 million today. As population grew, administrative efforts were made to integrate Mumbai’s periphery into a functional metropolitan region by extending city limits in 1950 and 1957. However problems of congestion, informal housing and overcrowding persisted, and in 1975 a metropolitan authority was established: the Mumbai Metropolitan Region Development Authority. The MMRDA soon became the key planning agency for the metropolitan area’s future. It has been at the forefront of projects such as the Bandra-Kurla finance complex, the future second CBD.

The MMRDA has 17 members and the State Minister for Urban Development is the Chairman. The Mayor of Mumbai and the Minister for Housing and State level councilors are amongst its other members. Sheltered politically by its relationship with the state government, MMRDA has filled part of the governance vacuum in Mumbai, and is an example of a streamlined and evidence-led metropolitan institution. Its main contribution to Mumbai’s development has been in the fields of transport project planning and implementation, where it oversees the regional plan and large-scale infrastructure projects.

The MMRDA is heavily reliant on land tools to generate revenue for development, and also borrows money from three revolving funds. There are calls for the MMRDA to have an expanded span of authority and greater co-ordination powers, to allow it to lead a shared vision for the region.

- Support more informal co-ordination efforts and strengthen them with higher tier participation? (MPOs in The USA, Metro Colombo project in Sri Lanka)
Case 17: Supporting informal co-ordination efforts in Oslo and Colombo

The Oslo Regional Alliance is a collaborative political organization which was established in 2005 in an effort to strengthen the Oslo region as a competitive and sustainable region in Europe. The Alliance’s members are the Oslo region’s 78 local authorities, including the City of Oslo and the Mayor of Oslo. Collectively the organisation represents more than 2 million inhabitants. It seeks to achieve a stronger metro-region for Oslo by profiling and marketing the region internationally and by ‘positively influencing various factors that make the Oslo region more competitive and sustainable’. The Alliance’s focus areas are:

- Joint profiling
- Competence, innovation and competitiveness
- Spatial development, transport and communications
- Climate policies

Developing world cities are also building informal co-ordination efforts. In Sri Lanka, the Metro Colombo Urban Development Project is a five year project which aims to strengthen the capacity of local authorities in the Colombo Metropolitan Area (CMA) to rehabilitate, improve and maintain local infrastructure and services through selected demonstration investments. There is a particular focus on reducing flooding in the Colombo basin – an issue in which the benefits of developing a joined up multi-authority approach is very clear. The Project has been established under the national Ministry of Defence and Urban Development, whilst a number of national level ministries and agencies e.g. (Ministry of Local Government and Provincial Councils, Ministry of Irrigation) are also involved in the operational steering committee, lending strength to the project.

5.5 Collaborative leadership through strategic planning

With leadership functions often siloed across different tiers, sectors and systems, mechanisms to unify leadership teams as part of a common project are very valuable. Metropolitan strategic planning (MSP) is one such tool being applied in many urban regions. Strategic planning looks to address the region as a system, rather than as individual jurisdictions, political mandates or investment cycles. When done well, it can help cities manage population growth in a socially and economically effective way, and respond positively to the risks attached to global economic competition and environmental uncertainty (see Case 18 which discusses how the Regional Plan Association is playing a role in helping to recognise and meet the New York region’s future challenges).

The case for strategic planning of metropolitan areas is often put forward in light of leadership and co-ordination failures at the city, regional, state or national level – whether in the under-investment or under-planning of a city’s structure and infrastructure. While the value of strategic planning is now widely recognised, its realisation does not come easily to most cities, because most were designed with the political framework to deliver services rather than develop future strategy. Although many of the problems and solutions are known and shared, achieving political consensus and insulated delivery structures is difficult.

The process of strategic planning can, however, catalyse a new phase of outreach and alliance-building across city leadership. Regional collaboration can create the will for investment resources from political interests that are often highly localised, risk-averse, or mistrustful of broader agendas. Regional planning can build inter-municipal partnership first around single areas of service delivery, or around spatial masterplanning, and then
extend it more widely. In the case of Auckland, consolidation or amalgamation of city government has been the spur to other public sector bodies signing up to a more integrated vision.

Strategic planning can clarify and hone the system of responsibilities across the public and private sectors, and can help regions where public and private sectors do not understand or appreciate each other’s contribution. It can forge organisational partnerships that cut across boundaries, industries, government tiers, public and private sectors. Lobbying and advocacy from these coalitions maintain interest and commitment in existing pipelines of development, as well as creating a context for leaders with regional vision to emerge. There are many examples where the strategic planning process helps bring about a public sector management team that is determined to deliver a plan that can endure across political terms and become stitched into the budgeting system (see Case 19).

**Case 18: Regional Plan Association**

The Regional Plan Association (RPA) is the oldest urban research organisation in the United States, and prepares long-range plans and policies to guide the development of the 31-county, New York-New Jersey-Connecticut metropolitan region, which is home to 22 million people. Its three previous plans (in 1929, 1968 and 1996) have provided a blueprint and inspiration for the region’s transport, open space, infrastructure and economic development. The RPA is in the process of developing its fourth regional plan, and has begun an expanded phase of civic engagement and knowledge-sharing from global peers. The fourth regional plan will be published in 2016 and aims to be “a blueprint for our region’s growth, sustainability, good governance and economic opportunity for the next 25 years”.

The Association’s 2014 report Fragile Success outlined the challenges currently facing the New York region. These include fragmented regional decision making across three state governments, the economic de-coupling of the City from the wider region, stagnant real incomes for the bottom 75% of wage-earners, the development impact of technology sector growth, the need for renewal at the Port Authority, supply of housing, and the vulnerability of regional systems to climate change-related weather events.

**Case 19: Barcelona and Metropolitan Strategic Planning**

PEMB – *The Strategic Metropolitan Plan of Barcelona, Vision 2020* brings together the 36 municipalities and over three million people which make up the Metropolitan Area of Barcelona (AMB). PEMB was developed with the broad participation of both the public and the private sectors, and was developed on the principle of consensus across different leadership groups. Promoted by the Barcelona City Council, PEMB involves participation from the public sector in the form of the municipal councils, the Regional Government, Barcelona Provincial Council and other regional councils; the territory’s most important economic and social bodies, including the Chamber of Commerce, employment promotion agency, the University of Barcelona, the Port and the Airport; as well as other regional institutions, including the Mancomunitat de Municipis (the association of municipalities) and the governing bodies of metropolitan transport and environment.

The plan’s aim is to make the Barcelona metropolitan area one of the world’s most attractive and influential city-regions for global innovative talent, with a high-quality model of integration and social cohesion by 2020. It offers visions for the future, anticipates new challenges, and identifies ‘levers of change’ for strengthening Barcelona and preventing possible threats. PEMB pinpoints key growth drivers for the region as the extension of port capacity, support for new sectors such
as biotechnology and sustainable mobility, English language proficiency and growing entrepreneurial values.

The approval of PEMB in 2010 was simultaneous with the creation by statute of the AMB as an administrative unit. This formal arrangement opens the door to the creation of new metropolitan instruments for economic promotion and provides a model for public-private cooperation.
6. Innovation in city leadership

Because cities are burdened with a mismatch between what they need and what they can achieve through their traditional governance, management, service, and investment systems, and because national and state governments are often slow to implement reforms that will provide the right tools, city leaders must invent tools, policies, instruments, organisations, and coordination vehicles to bridge the gaps in the short term. In the longer term of course, most city leaders will have to promote reforms that will enable them to acquire more authority and fill the governance gaps. City leaders must be reformers and innovators.

As early as 1985, city leaders in an Orleans conference recognised this need to innovate in the face of erosion of their fiscal bases. As David Harvey described: “the colloquium indicated a broad consensus: that urban governments had to be much more innovative and entrepreneurial, willing to explore all kinds of avenues through which to alleviate their distressed condition and thereby secure a better future for their populations”. Indeed Ron Heifetz’ theory of adaptive leadership sees innovation as a requirement of leaders generally (not only those working in cities). He argues that problems can be categorised as either ‘technical’ – those which can be solved by expertise and good management, or ‘adaptive’ those which require innovation and learning on the part of the leader. Certainly, this invention and inventiveness has since become a key part of the leadership of a city, and an ability to innovate is a staple requirement of the modern city leader.

City innovation is currently in a vibrant phase, as many city leaders are trying to tackle problems for which city governments were not designed, such as climate change, large-scale immigration, infrastructure renewal and economic restructuring. Scott Cain, Chief Business Officer of the UK Government’s Future Cities Catapult has explained the situation clearly: “As cities face strains that include ageing populations, shifting public service provisions and the saturation of infrastructure, there’s never been a more vital time for innovation, nor a more difficult situation in which to make it happen.”

Although it is the city’s formal leaders who are building the new approaches, policies and tools and who are leading the reforms which support them, these leaders often need support from others to make space for these innovations or to institutionalise them as Section 5 has shown. This means that city leaders must also influence, persuade, and co-ordinate others in order to innovate.

Major innovations which city leaders have made to their tackle governance deficits include:

6.1 Behavioural Innovations and incentives

In many cities around the world, innovative local leadership has employed persuasive policy tools to encourage changes in citizen behaviour in a way which has less often been seen at the national level government level. As Barber and other commentators have noted, this has been particularly true in relation to the encouragement of environmentally-friendly behaviour. Innovations such as congestion charging (Case 20), recycling promotion, waste collection and management charges, or deposit-refund systems have often worked well at the local level. But behaviour change innovations are not limited to the environment – other city leaders have introduced innovative policies targeting social change e.g. community drug support programmes or at-risk family support. Economic incentives (e.g. tax breaks, enterprise zones) can also incentivise corporations to locate in a particular area, stimulating economic development in the locality.

Case 20: Congestion Charge, London

London Mayor Ken Livingstone introduced the London Congestion Charge in 2003, in spite of fierce opposition. The policy charged private vehicles £5 per day (later increased) to enter the heavily congested eight square miles at the heart of central London during core working hours (7am-6pm Monday to Friday). Its aim was to reduce congestion, and its consequent environmental, social and economic costs, and to raise revenues for the city’s transport authority TfL. The scheme was the first of its kind in a major world city.
Despite initial opposition, London’s Congestion Charge was quickly hailed as a success by almost all interested parties – from major business to environmentalists. Traffic fell by more than 10% in the first ten years of the scheme, and £1.2bn in revenue had been brought in by 2014, all of which was spent on improving the city’s transport system. A westward extension to the scheme was removed in 2011, but future innovations are expected. These may involve enhancing the ‘smartness’ of the policy, by charging users according to time of day, vehicle type, or part of London entered for example. Other major world cities have since adopted their own congestion charge policies, including Milan and Stockholm.

6.2 Place management innovations

Managing cities in new ways can enable city leaders to attract investment and/or enhance service delivery. Three place management innovations which have become relatively popular in recent years are:

- **Hosting Global Events** – In its report ‘Local Development Benefits from Staging Global Events’ (2008), the OECD recognised that a variety of primary and secondary benefits might be expected (although not guaranteed) to follow from hosting a global event. A global event might be a sporting event, e.g. the Olympic Games or Football World Cup; a cultural event e.g. World Design Capital or City of Culture, or perhaps an economic event such as an EXPO or G8 / G20 meeting. In particular, hosting global events can be a useful means of accelerating or catalyzing development priorities. Events can also help to plug financial gaps by attracting private sector partners for key projects, in particular in infrastructure development.

**The OECD’s list of benefits from hosting global events**

**Primary Benefits**

- Alignment of the event with sector and business growth strategies in the city or nation
- Private-public investment partnerships
- Image and identity impacts, attracting increased population, investment or trade
- Structural expansion of the visitor economy and supply chain development and expansion
- Environmental impacts, both in the built and natural environments.

**Secondary Benefits**

- Post event usage of improved land and buildings
- Connectivity and infrastructure legacies
- Labour market impacts and social / economic inclusion
- Secondary impacts in the property market

Global positioning, events strategy going forwards, and project management capability.

- **Business Improvement Districts (“BIDs”)** are business led partnerships in which business and (usually) property owners elect to contribute a regular service charge for the maintenance, development and promotion of their own (geographically-defined) commercial district. BIDs aim to improve the quality and attractiveness of the local trading environment, and to put decision-making power at the level of local business. BIDs have become a particularly popular tool in the USA, where they are a feature of over 1000 cities. As of mid-2016 New York City alone has 72 BIDs. Some
developing world city leaders are also similar tools to BIDs. In Cape Town for example, the Central City Improvement District was established in 2000 by local property owners who wanted to rid the CBD of its ‘crime and grime’ image.41

- **Metropolitan Strategic Planning** – See section 5.5. above.

### 6.3 Financial Innovations

The degree to which cities have control over their own income stream varies hugely from city to city, as earlier sections of this paper have reviewed. Only some cities have the power to raise their own taxes, and of those only some will be able to retain a significant proportion of what they raised. Many cities, but by no means all, receive incomes from property taxes and user charges (e.g. water, sewage refuse etc). However it is usually central government which controls lucrative revenue sources such as income taxes, sales taxes and business taxes. Therefore many local governments are heavily reliant on grants from central government, and these grants are often insufficient to meet cities’ needs – both in the developed world and in developing countries. The World Bank estimates that over $1 trillion a year is necessary to bridge the infrastructure gap between what is needed and what is being built today in developing countries.42

In this situation, it is clear that local governments have to find other sources of income. Innovations in city finance might include:

- **Direct Borrowing** – from banks, building societies, international financial institutions or other lenders. However many cities do not have legal authority to borrow money, or may not be deemed sufficiently ‘bankable’ entities by the lenders concerned.

- **Introduction of New Taxes / Levies** – Identifying new levies or taxes can provide local authorities with additional funding streams. It might be that a particular tax is raised to support a particular local development funding stream: for example the city of Philadelphia has introduced a hotel bed tax to help fund the city’s Convention and Visitor Bureau and it Marketing Corporation.43 Again, this tool is only applicable if a city has the legal power to introduce new levies.

- **Public Private Partnerships (PPPs)** – Partnering agreements can enable local authorities to outsource the provision and funding of services to private sector operators. Under PPPs, local governments may (i) provide capital for a major investment, with operations to be run by the private sector, or (ii) reach agreement under which the private sector funds the capital investment in exchange for a (usually long term) contract for operational services. Proponents of PPPs argue that they enhance service quality by utilising the experience of private sector operators, and therefore offer the tax payer value for money.

- **Planning tools** - Local authorities may be able to leverage the planning tools at their disposal to secure revenue. For example, they may be able to negotiate agreements with developers which require them to make some form of financial commitment to the local authority in exchange for the granting of planning permission. This type of ‘planning gain’ agreement is common in the UK (where it is known as a Section 106 agreement). There are usually limitations on the type of requirements the local authority can impose.

- **Land sale / leasing / value capture finance.** Municipal land or property can be sold or leased to generate capital or a regular income stream. Sale / leases can be combined with overage provisions (development levies) such that the local authority is able to leverage financial value created when land is developed.

- **Municipal bonds.** By issuing municipal bonds, city authorities effectively issue ‘I Owe You’ notes to citizens, in exchange for repayment at the end of a given term (at a set rate of interest). Revenues are generally spent on local development projects. Not all cities have the authority to issue municipal bonds, and those that do often have strict conditions placed upon issuance. In Turin for example
(Case 21) it was a legal requirement that bonds only be issued to finance major development investments, and not short term activities. Bonds also had to be issued for a minimum period of five years.

- **Pooling financing** – local authorities may pool their budgets with other public sector partners in order to avoid overlaps in service delivery, minimise bureaucracy, achieve economies of scale and increase efficiency. Negotiating pooled budgets can help to bring authorities closer together and assist collaboration and innovation. Authorities are likely to need specific legal authority in order to pool their resources. It may be that local authorities are entitled to pool in relation certain budgets e.g. health, but not in others.

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**Case 21: Increased Borrowing and Municipal Bond Issues in Turin**

Turin elected its first Mayor, Valentino Castellani, in 1993 against a backdrop of deindustrialization in the city, and in particular the decline of the city’s dominant automobile sector. Castellani focused his efforts as Mayor on managing a deep structural transformation in the city, with a particular emphasis on economic diversification and internationalization.

Amongst the new powers granted to Mayors were control over local property tax revenues, powers over planning and compulsory purchase, and the ability to raise bonds and set up joint ventures using municipal assets. Castellani, and his successor Sergio Chiamparino, made use of these powers to redevelop the industrial city. In particular, they utilised their power to borrow funds. Local bank foundations contributed around €300m per year, matching the combined municipal and regional annual spending on large-scale regeneration projects. The European Investment Bank was also a major lender to urban rehabilitation programmes in the city, including the Passante rail link, and infrastructure works relating to the 2006 Winter Olympic Games - a key ‘profile-raiser’ that formed part of Turin’s internationalization strategy.

Turin’s mayors also made use of their new ability to raise finance with municipal bond (Buoni Ordinari Communali – BOC) issues. As such, devolution facilitated investment in major infrastructures in Turin such as a new metro line, and in reclamation of disused industrial land – projects unlikely to have been prioritised by national government.

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**6.4 Institutional Innovations and Reforms**

Where existing governance arrangements fail to provide leaders with the powers they need to address their city’s challenges, some are seeking to innovate in order to reform the very institutional frameworks which are limiting them. This might be by requesting greater powers be devolved to the local level, by amalgamating with other neighbouring authorities in order to create a governance body which mirrors the functional economic area, or by supporting more informal co-ordination efforts and strengthening them with higher tier participation. These types of innovations have been explored in detail in Section 5.4. In the context of the UK, Manchester has been a particularly innovative in reforming its institutional framework in recent years (see Case 22).

As with other innovative local leadership, institutional innovations are not limited to Western cities. In Kenya for example, a new second tier of devolved county-level government was constitutionally created in 2010, decentralising responsibility for local issues such as health care, roads, water and sanitation. Furthermore this county-level government has been constitutionally granted fiscal allocations, representing at least 15% of audited ordinary revenue.

Other city leaders have innovated by creating cross-border collaborations, to fill governance gaps artificially created by national borders which fail to recognise economic and social realities. The CENTROPE
collaboration in Central Europe between the cities of Vienna, Bratislava, Brno and Gyor is a good example of such an innovation\(^4\), as is the collaboration between Copenhagen and Malmo in the creation of the Oresund region.

### Case 22: City Innovation in Manchester

Sir Howard Bernstein and Sir Richard Leese are, respectively, the Chief Executive and Leader of Manchester City Council. Over the past decade, they have been at the helm of governance innovations designed to secure a better future for Manchester. These innovations have played an important part in tackling the city’s fiscal and geographic governance deficits - they include:

- **The Greater Manchester Combined Authority.** In 2011 Manchester’s leaders advocated for and created a new scale of city government institution for the UK – the combined authority. This amalgamated the central city with 9 boroughs of the Manchester region into one overarching authority, and represents one of the first attempts by a city government to match political geography to its functional economic area. The GMCA has secured wider ranging powers from central government than other regional cities in the UK.

- **The Manchester City Deal.** Along with other large cities in England, Manchester has taken advantage of a shift in the governance landscape to negotiate tailored reform packages with central government and secure a degree of devolution, in the form of new so-called City Deals. Manchester's leaders have negotiated and secured a particularly long-term, innovative and pragmatic deal for the city. Most notably, the Manchester City Deal incorporates an ‘earn back’ mechanism, allowing the Combined Authority to earn back from the Treasury up to £30m each year, as it is generated from local investments in transport infrastructure. Increased central government support for apprenticeships and low carbon projects was also negotiated as part of the City Deal.

- **The Manchester Independent Economic Review.** The MEIR was an exceptionally high quality, evidence-based report on the state of Manchester’s economy, which was supported and called for by Bernstein and Leese (amongst others). It delivered a robust economic narrative that has informed and driven debate regarding the economic future of the city.

The 2015 OECD LEED paper *Local Economic Leadership* highlights that reforms in Manchester are both an effect of can-do leadership, and also contribute to the enhanced powers these cities possess to meet the challenges their local economy faces.

### 6.5 Innovative Learning

City leaders have become extremely good at sharing best practice in relation to how to tackle what are often common challenges. Some of city leaders’ most useful innovations have fostered new and more effective ways of learning.

**City networks** have become a useful tool for many city leaders. Some networks focus on tackling particular issues, for example the C40 Cities Climate Leaders group works to ‘empower cities to connect with each other and share technical expertise on best practice in tackling climate change’\(^5\). Other networks, such as Metropolis, act as more general fora for exploring common challenges. Networks might be regional, national (as for example with the South African Cities Network – Case 23) or international. City networks not only provide members with an opportunity to share experiences and learn from each others’ tested solutions, but they also lend them a stronger voice (and often international visibility) in negotiations with higher tiers of government.
City leaders are also learning how to span governance gaps in innovative ways with the help of bodies such as NGOs, third sector organisations, international financial institutions, think tanks and policy institutes. The Future Cities Catapult for example has developed CITIE, a diagnostic tool which supports city leaders to develop policy to catalyse innovation and entrepreneurship. The World Bank runs regular city leadership capacity building programmes. Think tanks such as the Centre for Cities (in the UK) provide research to inform city leadership debate.

Case 23: The South African Cities Network

The South African Cities Network was formed in 2005 to encourage the largest cities in South Africa to exchange information, experience and best practices on urban development and city management. The network has eight member cities: Johannesburg, Tshwane, Nelson Mandela Metropole, Buffalo City, eThekwini, Ekurhuleni, Mangaung, and Msunduzi. Its actions focus on:

- Updating leaders on current and emerging changes and trends in urban policy across the world and in South Africa;
- Promoting innovation and strategic thinking between cities and other spheres of government;
- Fostering cooperation and exchange of best practice;
- Generating options and making recommendations to network members;
- Mobilising the capacity of cities to support local government and national development; and
- Strengthening linkages between cities, towns and rural areas

The network focuses on the full scope of the urban management process. This includes promoting sustainable cities, economic growth and poverty reduction, urban renewal, good governance, integrated land management and service delivery and city development strategies.
7. What different tools and styles can city leaders use to address challenges?

Many city leaders adopt a particular leadership style to assist them in addressing city challenges. A wide variety of styles have been identified by those studying city leadership. For example, John (1997), has identified the ‘city boss’, ‘consensual facilitator’, ‘visionary’ and ‘caretaker’ styles of leadership, whilst Yates adopts a different (although overlapping) typology of ‘the Crusader’, ‘the Entrepreneur’, ‘the Boss’ and ‘the Broker’. This paper uses the framework of leadership styles adopted by the OECD in their Local Economic Leadership paper to introduce case studies of each ‘style’ of leader. These case studies are followed by a discussion of the factors which can influence which particular leadership style is adopted.

7.1 Leadership Styles

Mayor as Chief Negotiator

Some mayors take on the role of the city’s chief negotiator. Such mayors leverage their public profile and high-visibility status to lobby and advocate for their city’s best interests with other levels of government and key departments and agencies. Usually these mayors lack strong formal powers so their mediation and negotiation skills are essential to securing the best possible ‘deal’ for their city from higher tiers of government. The negotiator mayor may not have the span of control to shape a comprehensive strategic vision, and may instead typically adopt particular ‘pet’ causes where progress may be possible in a given window of political opportunity. In some circumstances he or she may even support individual cases or grievances.

Ken Livingstone, London

Ken Livingstone was the first Mayor of London, holding the office for two terms as an independent between 2000 and 2008. An outspoken and divisive figure in British politics, ‘Red’ Ken (so nicknamed for his leftist politics) was a vocal supporter of his chosen causes. As Mayor of London, Livingstone negotiated fiercely with central government on behalf of London. Amongst his most strongly fought campaigns were:

- **Congestion Charge.** Livingstone adopted the idea for a Congestion Charge in London from the business community, who had been unsuccessfully lobbying government for some time to reduce traffic in central London. Livingstone became a visible and determined champion for the scheme, making the congestion charge a feature of his manifesto when running for office in 2000. As an independent, Livingstone was unencumbered by party politics and negotiated hard with Whitehall for first the implementation, and then the extension of the scheme, achieving success on both counts.

- **Crossrail** – an East-West rail link across the capital was widely acknowledged by London’s business community and others as a much needed infrastructure investment. Securing funds for the project did not fall within the Mayor’s mandate, and as a result Livingstone was compelled to repeatedly lobby central government for financing.

- **Underground** – Livingstone tried to overturn the Treasury's decision to use a public-private partnership deal to redevelop the tube. His challenge against the Department for Transport ended up in the High Court but was ultimately unsuccessful.
**Climate Change**: Livingstone's second term was dominated by a focus on climate change. The mayor signed the city up to an ambitious climate change action plan which aimed at cutting CO2 emissions by 60% within 20 years. Lacking the powers to make changes he would have liked to in the city (e.g. increased carbon taxes), Livingstone lobbied for Central Government support—advocating for the introduction of carbon pricing to encourage the faster take-up of existing energy efficiency measures, and for the removal of barriers to decentralised energy production and large-scale production of energy from waste.

**Mayor as Ambassador**

In the new wave of globalisation, with cities competing directly beyond national boundaries, many city mayors have taken on the role of ambassador for their city, providing the figurehead to represent it on the world stage. Ambassador mayors use their own personality and charisma to advance the city’s competitive claims and 'sell' its advantages in different international markets. An ambassador mayor with a distinctive or compelling personality may even come to embody or reflect the city’s brand. In London, for example, Boris Johnson became an important representative for the city’s values, most notably during the London 2012 Olympic Games when he made himself a visible talisman for the city.

**Patricia De Lille, Cape Town**

Patricia De Lille has been Mayor of Cape Town since 2011. She has become an important representative for Cape Town on the world stage. In the last year alone she has been a visible leader of the city in relation to three major initiatives:

**World Design Capital 2014.** De Lille has been the figurehead of the city’s initiatives and events during its year as World Design Capital, during which it has become a focal point for the international design community in 2014. Mayor De Lille has been a constant presence at media occasions for the annual event, including being a driving force behind a major New Year’s Eve street party to welcome the year of Design to the city. Over 100,000 members of the public attended the event, at which De Lille made a New Year’s speech.

**Earth Hour Capital 2014.** In March 2014, De Lille travelled to Vancouver to accept the prestigious WWF Earth Hour Award on behalf of Cape Town. Cape Town beat over 160 other cities to the award, being particularly commended for its efforts to reduce carbon emissions through retrofitting of buildings, introduction of cycle lanes and an integrated bus system and other initiatives. De Lille has been active in promoting the city's reputation as a world leading innovator in meeting climate change challenges.

**C40 Climate Leadership Cities Network** – under De Lille’s leadership Cape Town has joined the influential global city network, C40, joining 65 other global cities in efforts to tackle climate change. The Mayor has been particularly quick to outline areas for potential collaboration with fellow C40 cities.

De Lille herself has also received numerous accolades, both as mayor and in her previous leadership roles. Perhaps most significantly, in 2004, she was voted 22nd in a nationwide poll of the 100 Greatest South Africans. In the same year, she was awarded the Old Mutual South African Leadership Award in the Women's Leadership category. In May 2013 De Lille was named World Mayor of the Month by CityMayors.com. This recognition, both within South Africa and internationally, is indicative of the visibility and presence that De Lille has as a city leader.
Mayor as Visionary

A visionary mayor focuses on the formulation of a strong and clear vision of the city's future, and the capacity of teams around him or her to generate new and innovative ideas. Often playing a key role during periods of deep transition for cities, such mayors build a vision and then use it as a means of inspiring support, of building powerful and effective coalitions of different stakeholders, and encouraging renewed citizen participation and engagement. In Italy, Valentino Castellani successfully mobilised his co-produced vision of Turin as an international metropolis to forge a new path for the city following the decline of its FIAT-dominated car industry.

Valentino Castellani, Turin

Valentino Castellani was Mayor of Turin between 1993 and 2001, and the city's first directly elected mayor. When Castellani came to office in 1993, Turin was one of many European cities that was experiencing the severe effects of de-industrialisation. During the post-war years, Turin's economy had become dominated by car manufacturing, and specifically by the Italian automobile giant FIAT. In the late 1950s the automobile sector represented roughly 80% of the city's industrial activity, but by the end of the early 1990s competition from abroad and from Southern Italy was causing the city's automobile industry to collapse. The number of jobs generated by the FIAT group fell from 92,000 in 1986 to 47,000 in 1996.

Castellani was quick to size up the scale of the challenge facing Turin, and recognised that the city was now operating in a new internationally competitive paradigm. He envisaged a future for Turin beyond the automobile industry, and brought together all the city's stakeholders, including representatives from business, academia, and civil society, to come up with a new strategic plan for Turin’s future. Through this collective decision-making process, which was an innovative first in Italy, the strategic committee agreed that a deep restructuring of Turin’s economy was necessary, and decided to focus on tourism as a key growth sectors of the new economy. This was a bold move, as there was virtually no pre-existing tourism activity in the city. Castellani however could see that the city's historic and cultural assets were being underutilised, and had the foresight to appreciate that the city's future economic strategy would need to be international if it was to succeed.

During Castellani's time as mayor, Turin also successfully bid to host the 2006 Olympic Games. Castellani was a key supporter of the bid, and once Turin were announced as host city he was appointed as Chairman of the Olympic Organising Committee. Castellani understood and foresaw the important catalytic impact that hosting a major event such as the Winter Olympics could have in the city, in particular enabling the City Council to mobilise EU and national government funds to complete key infrastructure projects within short time frames.

Mayor as Convenor

In many cities, especially where governance is fragmented or divided and where power is distributed, the mayor may play a primary role as convenor. The convenor mayor organises and brings together different actors to address challenges that the city and its administration cannot tackle alone. Convenors are neither able or willing to impose their own solutions, and instead get a diverse mix of people and organisations involved in finding and sponsoring effective solutions together. Their context requires influence, networking and the enrolment...
of different stakeholders around a collaborative venture. An effective convenor can play a powerful role in leveraging scarce resources and gaining results, as Aisa Kirabo Kacyira achieved in Kigali.

Dr Aisa Kirabo Kacyira, Kigali

Dr Aisa Kirabo Kacyira was Mayor of Kigali, Rwanda between 2006 and 2011. Kigali is one of Africa’s fastest growing cities, and when Mayor Kirabo came to power it was struggling to recover from the 1990-94 Rwandan Civil War which left many social, economic and environmental challenges in the city. The government’s necessary focus on re-settling uprooted citizens had led to a neglect of provision of other services – the city struggled with growing mounds of garbage, stretched water and sanitation facilities as well as a dilapidated road network and a destroyed urban transport system. Almost 20% of households were headed by widows and large numbers of demobilised soldiers had to be reincorporated into society.

As Mayor, Aisa Kirabo Kacyira brought the international community to Kigali to assist in meeting the challenges which the city did not have the resources to tackle alone. Amongst the organisations the Mayor welcomed to the city were:

- The World Bank which financed the construction of roads, schools, offices and transport termini in Kigali.
- The African Development Bank which (together with the World Bank) supported the city’s sewage Master Plan,
- DED (the German Development Service) which seconded staff to the city to support capacity building.
- UN-HABITAT which together with the Rwanda Environmental Management Authority conducted a study on relocation of residents in the Chahafu slum area.
- UNIDO and UNDP which assisted the city in environmental management.
- The EU which supported improvement of drainage, and bitumen road construction in some slum areas.
- CTB (the Belgian Development Agency) which supported the Kigali City Council’s health unit through capacity building, equipping hospitals in the city and mobilising for improved environmental health.
- International experts such as Joe Weiss, the Director of Infrastructure and Transportation in the City of London who visited the city to advise on plans and implementation.

By 2008 the city had changed such that Kigali was awarded the UN Habitat Scroll of Honour in recognition of its high levels of cleanliness, greenness and safety, combined with sustainable, affordable housing initiatives and pro-poor urban employment opportunities. Aisa Kirabo Kacyria is now Assistant Secretary-General of UN-Habitat.

Mayor as CEO

In cities where leaders have substantial independent budgets and a large span of control over key sectors, the mayor may adopt a hierarchical business model and run the city as the city’s ‘boss’. This type of mayor is characterised by strong determination and ambitious narratives, and may bypass conflict and disagreement within the council or administration in order to implement their policies. A mayor who leads ‘as CEO’ will have a strong focus on city competitiveness and often imports private sector practices to city management – looking to run the city ‘like a business’, with a focus on value for money, efficiency, ‘customer’ service, brand, targets and strategy.
Michael Bloomberg, New York City

Michael Bloomberg, Mayor of New York City between 2001 and 2013, has a background in business, having made his fortune through his own financial information company and media empire. When campaigning for mayor, Bloomberg promised to be a ‘CEO’ mayor, running the city like a business. His leadership style involved the application of a number of business practices to the management of City Hall:

**Corporate Approach:** Bloomberg adopted a rationalist managerial style based on the use of technology, statistics, data analysis and results-driven incentives. He emphasised innovation, a disciplined focus on goals and cost-benefit analysis. He granted his commissioners wide autonomy in their decision making. Breaking with 190 years of tradition, Bloomberg recreated a Wall Street trading floor ‘bullpen’ at City Hall, seating managerial staff and aides together in an attempt to promote accountability and accessibility.

**‘The Business Plan’** : PlaNYC was the Mayor’s 25 year vision for the growth of New York City, detailing how to accommodate one million more people in an already dense city, while simultaneously reducing the City’s greenhouse gas emissions by 30% and improving its aging infrastructure. PlaNYC relied on a level of stakeholder interaction never before seen in the city. The Mayor created the Mayor’s Office of Long-Term Planning and Sustainability, a central office to drive the creation of PlaNYC and manage collaboration between departments.

**The Brand:** Mayor Bloomberg boosted New York's promotional efforts. He consolidated three existing operations under a new not-for-profit marketing entity, NYC & Co. He tripled the city's contribution to the annual marketing budget to $22 million. He also hired advertising experts who had worked for multinational brands such as Coca Cola and Walt Disney.

**The Targets:** NYC & Co was set an ambitious goal: to lure 50 million visitors a year to the city by 2015. PlaNYC also outlines 10 major long term goals, and concisely breaks the achievement of these goals down into 127 separate initiatives. Mayor Bloomberg set high standards for the 127 separate initiatives, all of which were based on rigorous data collection and analysis, and has always strongly maintained that projects delivering an inadequate return on investment, reported on an annual basis, will be cancelled.

**The Customers:** Bloomberg heavily prioritised ‘listening to his customers’. In the first year of his mayoralty, Bloomberg established 24-hour call lines, which allowed New Yorkers to report any issues, from graffiti on the subway to noise complaints. The service employs 370 call takers and has received more than 100 million calls. Bloomberg also put his customer first by carrying out ‘market research’ - collecting data to help develop new products, and sending his executives out into the field to solicit feedback directly from clients.

**The ‘Talent’** : Bloomberg appointed the best talent he could to work alongside him in New York's administration. Many senior individuals were drawn from the business community, including Daniel Doctoroff – a former private equity firm partner, and four executives from the Bloomberg business.

Bloomberg successfully turned the city's $6 billion deficit into a $3 billion surplus during his time as mayor. Crime levels were reduced to historic lows. Schools improved (although patchily). In 2013 New York City attracted over 50 million visitors. His leadership style, dubbed the
‘Bloomberg Way’ by some academics, has been emulated by city leaders across the USA and the wider world. However Bloomberg has certainly faced criticism: opponents point to the persistence of poverty and growth of inequality under his administration, and the Mayor’s focus on profitability above other aspects of the city’s performance led to some civic discontent. There is a feeling that Manhattan – only one of New York’s five boroughs - is favoured and prioritised. For example, when a severe blizzard hit New York in 2010, prosperous Fifth Avenue was cleared of snow immediately. Less prosperous neighbourhoods suffered for a week or more, prompting media outrage. The current Mayor of New York, Bill de Blasio, achieved a landslide victory in late 2013, unapologetically running as the anti-Bloomberg.

Mayor as Consensus Facilitator

It is common for city leaders to find that their ability to deliver on short-term and medium-term goals depends on the co-operation of business, trade unions, local municipalities and central government. In these cases, they may opt to reach out to these actors and foster consultation and coalition building. They generate capacity through openness and the ability to align different interests. The mayor ensures access to expert information and uses influence to tackle institutional barriers and extend partnerships. This type of leader is common in decentralised and consensus-based countries such as Netherlands and Switzerland. They possess many qualities but can find it hard to build decisive decision-making apparatus as local policy is driven by the short-term demands of powerful local interests and parties.

Tomasz Kayser, Poznan

Tomasz Kayser has been Deputy Mayor of Poznan, Poland since 1990. Kayser is known as a strong organiser and a political neutral (not being a member of any political party). He is perceived locally as a high ranking expert official who uses his skills to serve the city, rather than as a careerist politician. Kayser maintains good connections with the business community in the city, and often reaches out to external partners in order to utilise their resources and engender support for his projects.

Typical of the consensus facilitator, Kayser sees an important part of his role as a ‘collaboration promoter’. He helps people to meet and communicate, and also acts as a broker or mediator between different sectors. In Poznan, Kayser has particularly focused on brokering positive relationships between the business sector and academia.

Kayser has also been instrumental in creating multi-party collaborative organisations in Poznan. One such example is the Local Tourism Association, which Kayser initiated in 2003 to be responsible for tourism promotion. The association acts as a platform of cooperation between Poznan and surrounding municipalities and between public administration and business. It is regarded as one of the strongest local tourism organisations in Poland. He has also launched Entrepreneurship Days which play a similar role in bringing different stakeholders together to promote entrepreneurship in the city.

Kayser’s leadership has been described as closest to a Consensus Facilitator, although he also possesses the characteristics of visionary leaders. This combination makes Kayser is viewed as a good fit with Polish residents, who are seen to favour these two styles of leadership.
Mayor as Caretaker

A caretaker mayor is one who lacks the capacity or opportunity to build a strong agenda, and instead addresses challenges on an ad-hoc, reactive and individual basis. They may not be the primary spokesperson for the city, and may rely on competent decision-makers within the city council / administration to carry out key leadership functions. They tend to operate within established parameters, prefer to maintain the status quo and steer the city safely through a period of transition.

Christy Burke, Dublin

Christy Burke was elected Lord Mayor of Dublin in June 2014 by his fellow city council members. Prior to his election, Burke had served on the Dublin City Council since 1985. Burke will hold the post for one year, and his responsibilities will mainly be symbolic – chairing city council meetings and representing the city at public events. Proactive Lord Mayors can use their role to promote investment and tourism in the city and to encourage voluntary and community work. Executive power rests largely with the City Manager, a civil servant appointed by the Public Appointments Service. The city manager is effectively the chief executive of the City Council, responsible for organising and disciplining council members, entering into contracts on behalf of the city, and granting or denying planning permissions. The manager also prepares the annual budget and sees it through the council.

Each style of leadership profiled in this section is distinctive, although in practice individual leaders may combine elements of different styles in order to achieve their goals. For example, whilst Tomasz Kayser’s approach is based on consensus and partnership building, he also uses some methods of a visionary leader, bringing a range of stakeholders together around the shared vision of a competitive integrated metropolitan area around Poznan. Different leadership styles are suited to different political challenges that arise in a city, especially during periods of crisis, reform and cyclical adjustment.

7.2 What factors determine a leader’s personal style?

The specific leadership style adopted will inevitably be partly a function of the individual’s personal characteristics or experiences, but is also ‘chosen’ or adopted from their embedded position within a localised socio-cultural context. The academic Bernard Bass has discussed the interplay of these two factors in the context of leadership generally. Bass agrees that personality traits are important in explaining what leadership style is adopted, and what actions are taken. This line of thinking has a long history, and the literature is littered with typologies which classify leaders based on personality – the best known is perhaps that of Myers-Briggs which classifies leaders as either extroverted or introverted, sensing or intuitive, thinking or feeling and judging or perceiving. However, for Bass, personality is not the only factor that counts - antecedent conditions and the consequences of attempts to lead are also important.

In the context of city leadership the importance of antecedent conditions may be seen for example where a particular approach may be preferred or expected in a given city (as consensus building is in Poznan), or may be the most appropriate style to address specific governance gaps and deficits which a city leader faces. For example, a city leader who is faced with a geographical governance deficit- perhaps only having formal authority over a central city area rather than the wider metropolitan region – might adopt a collaborative style of leadership in order to build alliances and encourage cooperation with neighbouring municipalities. A leader with a fiscal deficit, who has little power to raise taxes and is firmly reliant on hand-outs from central...
government, might take on the role of chief negotiator or adopt a managerial style, focusing on budgets and financial targets in order to prove their financial prudence to higher tiers and to ensure that money received is utilised efficiently. Alternatively a leader with a fiscal gap might take on the role of ‘visionary’, looking to carry along funders with the momentum of their grand idea.

The leadership style adopted is of course at least partially dependent upon the institutional framework and government and governance structures within which the mayor is working. If the mayor has very weak powers, is appointed by fellow council members, or is limited to a particularly short term, then they are unlikely to be able to sustain a CEO style of leadership, ‘hiring and firing’ personnel, and unilaterally deciding strategy or policies. Christy Burke, for example, as a mayor with a one year term and largely ceremonial powers, has little choice other than to adopt a caretaker leadership style. A directly elected mayor, on the other hand, might feel empowered to take bold decisions and adopt a stronger leadership style, bolstered by their direct mandate from the citizens. Michael Bloomberg, for example, was clear during his election campaign that he would be running the city ‘as a business’. Having adopted a CEO leadership style during his first term, his subsequent re-election validated further bold decision making and strong leadership. Similarly, a directly elected mayor may feel justified in changing the city’s direction or strategy, or to lead as a ‘visionary’ mayor, if their vision was set out during an election campaign. In Milan for example, Valentino Castellani was elected as the ‘anti-status-quo’ candidate, by citizens who were tired of their existing politicians. His direct election by citizens, combined with a relatively high degree of city-level autonomy, gave him the authority he needed to lead as a visionary mayor and to move Turin in a new direction. Cities in the Global South are often characterised by a higher degree of informality in their governance systems, which can influence the leadership style adopted.

The directly elected mayor, by definition, is a politician who has impressed and won the public confidence in a city-wide vote. It is perhaps unsurprising that many have strong, self-assured personalities, aligning them with a leadership style as an ambassador or CEO-style figure. Some of the most famous examples of directly elected mayors from around the world, Boris Johnson, Antanas Mockus, Michael Bloomberg and Lee Kuan Yew have adopted these leadership styles. On the other hand, mayors who appointed from within the council are likely to be popular and respected by their peers – this might mean they are more naturally drawn towards a consensual form of leadership, or one based on negotiation.

The combination of factors which together determine an individual leader’s particular style have been recognised in city leadership literature, for example by Peter John (1997, 2001) who categorises factors which may influence the leader’s behaviour into: personal (psychological) factors, institutional factors, systemic (party-related) factors and factors linked to political culture.

7.3 Leadership styles as a tool for building a coherent governance system

Leveraging and motivating the wider, dispersed system of a city’s leadership is a common requirement for city leaders. Each leadership style (with the probable exception of the caretaker mayor) provides a different means of achieving an engaged and coherent cross-city leadership. Whilst this is an obvious effect of the consensus facilitator leadership style, leveraging wider city leaders can also be achieved by the visionary mayor who, like Castellani and Daley, brings diverse city interests together around a shared vision. The CEO mayor can impress and engage other city leaders, particularly from the business community, but also elsewhere, through a focus on efficiency, data and the setting and meeting of targets. Equally, by presenting a coherent city ‘message’ the ambassador mayor can unite and motivate other stakeholders, whether business, academia or civic groups, behind a shared city brand or image. What is clear is that regardless of leadership style adopted, each appointed city leader must bring together and activate the city’s wider system of leadership if they are to amass sufficient resources and skills to meet the city’s challenges.
Part 3: Insights

8. What key insights can be gleaned about effective city leadership?

In his classic text on leadership, J.M. Burns explained “the study of leadership in general will be advanced by looking at leaders in particular”. This section of our paper adopts this approach and explores six individual case study examples of effective city leadership. The cases studies show the power of city leadership, and its ability to make a difference on some of the key challenges modern cities face. Common characteristics or approaches of successful city leaders which emerge from the case studies and wider literature, including the OECD LEED paper on Local Economic Leadership, are then discussed.

8.1 Case Studies of Effective City Leadership

i. Growth and change challenges such as building a strong city brand, restructuring a city economy in response to changing global markets, preparing a long term strategy for growth or expanding the city’s jobs base cannot be tackled by an appointed city leader alone. Every element of the dispersed city leadership must buy in to a new strategy or new brand if the city is to present its offering to the world coherently and competitively. However, an inspirational or enlightened individual can provide the initial idea or direction for growth / change for the leadership system to support, as Joko Widodo did in Solo, Indonesia.
Growth and change challenges - building a strong city brand

Joko Widodo, Surakarta, Indonesia

When Joko Widodo became Mayor of Surakarta – also known as Solo – in 2005 the city was in dire straits. One of the poorest cities in Java, Surakarta had a history of violence which had earned it the nickname sumbu pembek ‘the city with a short fuse’. Terrorist networks had been discovered in the city, which was also subject to protests and demonstrations on a near daily basis.

Joko Widodo had travelled frequently to Europe during his earlier career as a furniture businessman, and he adopted a development framework for the city based on those he had seen in Europe. He envisioned and oversaw a complete rebranding of Surakarta, focusing in particular on developing the tourism industry. Widodo gave the city the motto “The Spirit of Java” and sought to attract tourists (and grow the jobs base) by transforming the city into a regional centre for arts and culture, a batik capital. Among the steps Widodo took to attract tourists and grow businesses were: the revitalisation of the city’s public spaces and parks; easing the business licensing and permit process; applying for membership of the Organisation of World Heritage Cities (approved in 2006); hosting of the World Music Festival in 2008 and 2009; and launching a marketing campaign in 2009 “Solo’s Future is Solo’s Past”.

By 2009, Solo had earned a reputation as one of Indonesia’s most business-friendly cities. The number of tourists who came to Surakarta increased on average by 800,000 people every year between 2005 and 2009. International hotel chains such as Sheraton and Novotel have set up in the city. Small businesses have also proliferated: in 2011, the city reported that microenterprises invested US$1 million in Solo and small firms US$12.6 million.

ii. City governments often have insufficient resources to meet financial challenges using the city budget alone, and may lack the formal fiscal capacity to raise ‘special’ funds for specific transformative projects. In order to raise and safeguard municipal finances and reduce indebtedness they therefore need to secure resources from other tiers of government or wider city stakeholders, and / or create innovative ways of raising funds using tools and methods outside of their formal powers. Bilbao’s city leaders did both in order to bring about a wholesale transformation of the city.
Financial challenges - raising and safeguarding municipal finances

Ibone Bengoextea, Bilbao

Ibone Bengoextea is Deputy Mayor of Bilbao. Bilbao has undergone a dramatic transformation since the 1980s, when it was struggling with deindustrialising heavy industries and a declining port function. The city is now a cultural hub with a strong tourism draw, centred on the world-class Guggenheim Museum. Transformation was achieved through a mixture of infrastructural investment; a focus on culture, internationalisation and design excellence; and environmental and urban regeneration. Bilbao implemented 25 transformative projects over a 25-year period of regeneration.

Bilbao’s city leaders, including Bengoextea and her superior Inaki Azkuna, had to source funds to bring about their vision for a new city, and were extremely successful in doing so. By 2012 the City of Bilbao was debt free, despite the fact that 1 billion euros of infrastructural investment had been financed in the city since 2003. Municipal finances were raised in a number of ways:

- Using their strong and distinctive city vision, Bilbao’s leaders secured financial ‘buy in’ from higher tiers of government, including the Basque Government, the Provincial Council of Bizkaia and the Spanish Government. EU structural funds helped to finance around 12% of the city’s port and metro redevelopment projects.

- The city was also used its unified vision to attract private sector partner investors – a vital financial ingredient in such a large scale project and long term project.

- City leaders developed public finance innovations to increase the pot of money available: extensive and profitable use was made of publicly owned, obsolete industrial land, which was consolidated, upgraded and sold on to developers. The city also financed the river upgrade through user charges levied on the city’s water users over a period of around 25 years.

- Bengoetxea emphasises that a major factor in the city’s financial success has been its prudent financial management – in particular the strict programme of economic stringency and strategic budgeting carried out at City Hall. Economic and budgeting decisions are placed solely in the Mayor’s hands. Budgets are defined in relation to and linked with the strategic plan, and items without budgetary clearance are not financed. As a result the team at City Hall rarely ask for out-of-budget expenditure. Stricter financial management of day to day city expenditure was also introduced – for example with the imposition of a rule that all contracting companies had to be paid within 30 days of invoice.

iii. Infrastructure challenges, such as building a public transport system and appropriate technological infrastructure often require funds from beyond the city administration’s own coffers. Collaboration and resource sharing is therefore an essential part of meeting infrastructural challenges. In Mumbai Uma Adusumilli is one of several city leaders involved in building an improved public transport system in the Mumbai Metropolitan Region. She has worked with the World Bank, central government, and other actors in Mumbai’s complex governance system in order to secure transformative infrastructure projects for the city.
Infrastructure challenges – building a public transport system

Uma Adusumilli, Mumbai

Uma Adusumilli has been the Chief Planner at the Mumbai Metropolitan Regional Development Authority (MMRDA) since 2004. The MMRDA is the governmental body responsible for long term planning and management of large infrastructure projects in the Mumbai Metropolitan Region. Governance in the area of transport planning in Mumbai is complex, as state road, housing and slum development bodies are highly influential, whilst the central government also controls agencies such as Bombay Port Trust. Mumbai faces major transportation challenges with inadequate infrastructure and some of the world’s worst congestion - problems which are compounded by the fragmented governance system. However, as Chief Planner of the MMRDA for almost a decade, Adusumili has led the city to a new phase of transport development in the city, and many major projects are now being realised: The Mumbai Metro was approved by central government in June 2004. The first metro line opened in June 2014. Three further lines are planned (of which two have been approved), with overall completion scheduled for 2021. The Mumbai Monorail, the first monorail in India, was approved in 2009 and opened in February 2014. The monorail is designed to supplement the city’s bus and metro systems as it can handle steeper gradients and sharper turns. The Mumbai Urban Transport Project has been formulated by the MMRDA and envisages investment in suburban railway projects, local bus transport, new roads, bridges, pedestrian subways and traffic management activities. The project is being implemented in three phases (Phase II is scheduled for completion in 2015), and is partly financed by a World Bank loan. The size of Mumbai’s transport problem remains challenging, particularly in terms of the sheer scale of ongoing investment needed, but considerable progress has been made in the decade of Adusumilli’s leadership. Indicative of this is Mumbai’s performance on city indexes and benchmarks. It has risen from the 5th most congested city of all 30 global cities profiled in PWC’s Cities of Opportunity Report (2008) to 9th in 2014.

iv. Environmental and social challenges concern and involve the whole of the dispersed city leadership, whether those challenges are reducing pollution, responding to natural disasters or terrorist attacks, or reducing crime. Citizen groups, business leaders, academia and the not for profit sector all have ideas, funds and expertise to contribute to tackling environmental and social issues, and wide-scale participation is needed in order to achieve significant change. Of course some environmental and social challenges (climate change, terrorism) are of such a global nature that the only way of meeting them is through co-ordinated efforts not only within cities but also between them. Inspiring and encouraging changes in citizen behaviour is a key role which city leaders must take on in order to meet both environmental and social challenges, and is something that Maria Vassilakou has done successfully in Vienna.
Environmental and social challenges - influencing citizen behaviour around climate change

Maria Vassilakou, Vienna

Maria Vassilakou has been the Deputy Mayor of Vienna, and Executive City Councillor for Urban Planning, Traffic and Transport, Climate Protection, Energy and Citizen Participation since 2010. As a member of the Green Party, Maria Vassilakou is a minority partner in the city’s coalition government (Social Democrats forming the majority). Her support for environmental policies has not always been matched by her coalition partners, yet with strong will and political determination Vassilakou has been able to bring about an impressive degree of ‘greening’ of the city, and have a real influence on citizen behaviour.

Vassilakou’s most notable achievements have been in the realm of transport. The Deputy Mayor fought for a reduction in price of an annual public transport pass, which has now been cut to €365 (i.e. €1 per day). This is the cheapest annual card that exists in a capital city of an equivalent size to Vienna in Europe, and has had a demonstrable effect on citizen behaviour - more than half of the population of Vienna owns an annual card (or a concessionary version of it), and 39% of journeys in the city are made by public transport – a European record.

Maria Vassilakou is also making improvements to the walkability and cyclability of Vienna, by leading the Council’s re-imagining and re-working of public spaces all over the city. The council is working on a network of ‘linear parks’, interlinking existing green spaces with tree lined boulevards, and making new public spaces by creating terraces over metro lines. She has overseen the closing of gaps in the city’s cycle network, expanding the existing bike sharing scheme and increasing public engagement via improved Public Relations. 2013 was named Vienna’s “Year of Cycling”, and the city played host to the international Velo-city cycling conference.

Aside from the field of transport, Vassilakou has linked environmental sustainability to financial tools in order to encourage citizen behaviour change. During her time as Deputy Mayor, Vienna has introduced a scheme in which citizens have the opportunity to invest in solar power plants, and obtain a guaranteed 3.1% rate of return.

v. Governance challenges such as renewing public interest in local democracy, improving transparency and accountability, or building positive relationships with higher tiers of government can, by their very nature, only be tackled if city leaders engage with the full system of city leadership. In Singapore, Cheong Koon Hean has helped to foster a ‘wholesale of government’ approach to city development.
Governance challenges – building relationships with other tiers of government

Dr Cheong Koon Hean, Singapore

Dr Cheong was CEO of Singapore’s Urban Redevelopment Authority (URA) from 2004 to 2010, and in this role was in charge of the city-state’s strategic land use planning and conservation of built heritage. Since 2010 she has been the CEO of the Housing and Development Board (HDB) where she oversees the development and management of some 1 million public housing flats. She is simultaneously a Deputy Secretary in the Ministry of National Development.

As CEO of the URA, Cheong Koon Hean fronted Singapore’s ‘whole-of-government’ approach to city planning. Under this approach, planning in the city-state was (and is) carried out on the basis of a Concept Plan, which is a strategic land use and transportation plan that maps out the vision for Singapore over the next 40-50 years. The planning process is highly integrated - all government agencies involved in economic, social, environmental and infrastructural development in the city come together to resolve competing needs, to trade-off and formulate collaborative contributions to the Concept Plan. The process requires excellent inter-governmental relationships, and aims to safeguard social and environmental considerations whilst generating economic growth. As head of the URA Dr Cheong was responsible for nurturing relationships and safeguarding the collaborative ‘whole-of-government’ dynamic. The Concept Plan is later translated into the Master Plan—which is a more detailed statutory landuse plan that guides Singapore’s development over a 10-15 year timeframe.

Outside of the specific area of city planning, Dr Cheong also plays a part in encouraging good relations with different government ministries. For example, Singapore also uses its whole-of-government approach in tackling climate change, and an Inter-Ministerial Committee on Climate Change (IMCCC) was set up in late 2007 to coordinate government action in the area. Dr Cheong is a member of the Resilience Working Group (an IMCC subgroup), which is studying the city’s vulnerability to the adverse effects of climate change and developing long-term plans to ensure that Singapore is able to cope. Other members of the group are drawn from across Singapore’s various ministries and agencies, including the Ministry of Finance, Ministry of Health and the National Parks Board.

Dr Cheong’s leadership has been recognised with several honours, including Singapore’s Meritorious Service Award for outstanding public service in 2010 and the International Women’s Forum’s Woman Who Makes a Difference Award 2011.

vi. Even meeting service challenges such as improving processes, workflows and efficiency within the city administration and ensuring value for money in delivery of public services is more effectively achieved when city administrations engage with wider city stakeholders. Academics, business professionals and citizen groups can provide external objectivity and solutions to efficiency and service issues, as Ronald Maclean found in La Paz:
Service challenges – ensuring value for money in delivery of public services

Ronald MacLean Abaroa, La Paz

Ronald MacLean was Mayor of La Paz four times between 1985 and 1996. When he became mayor, he saw many inefficiencies in the city administration. For example, MacLean noticed that public works labourers (who constituted a large proportion of the municipality’s workforce) were only working 5 hour days. Their machinery was often missing, broken or outdated. Bureaucracy in city hall was so complex that many citizens paid ‘runners’ to guide through applications or enquiries for them, and permits or licences were often delayed until ‘speed money’ was paid. Major planning applications for large scale developments were treated in exactly the same way as small scale applications. MacLean set about making administrative reforms and organisational overhauls to improve the situation. He tried to schedule and prioritise public works projects, improve the information service for citizens at City Hall, and got rid of troublesome staff.

However, MacLean soon realised that his administrative reforms were making only the smallest improvements to the city’s operational efficiencies. He enlisted the help of a wide range of external advisors, who helped him to probe deeper, and soon uncovered a staggering degree of corruption in the city. Those who MacLean asked for help included:

- Robert Klitgaard, a Harvard Professor who worked with MacLean to diagnose the problems in City Hall;
- Enrique Fernandez, from the German cooperation agency GTZ;
- Gerry Post, a management consultant from Canada;
- The whole planning staff of the former mayor of Curitiba, Jaime Lerner; and
- Lt Col Jean Michel Enfraze (an international advisor to police departments) and Jeffrey Franks of Harvard who reviewed corruption in La Paz’s police force and proposed changes.

With the help of his advisors, MacLean took drastic action against corruption. First of all, he fired the city cashier, a powerful (corrupt) figure, to show that he meant business. Next, Maclean involved city employees in assessing and correcting corrupt practices within the City – choosing to build a team fighting against corruption, rather than being a mayor fighting against his corrupt staff. He sought to reduce the number situations or positions in which individuals had monopoly power. He introduced harsher fines for corruption and used a $1million World Bank grant to increase city employees’ pay, in order to incentivise employees to be honest (and retain their jobs). Finally, Maclean introduced private sector competition into the public procurement process, to ensure that a fair price was obtained for services which could be outsourced.

The results of Maclean’s actions were impressive. Within three years, he had significantly reduced corruption in all areas of city government. Employees were incentivised to work more efficiently and honestly. Top talent began to consider a career in City Hall. City revenues increased more than threefold, rising from approximately $7.8 million in 1986 to over $27 million by the decade’s end. Over the same period, investment in city infrastructure rose by a factor of ten.
8.2 Characteristics of effective city leaders

i. Recent literature

As interest in city leadership has grown in recent years, a plethora of urbanists, political commentators, geographers and journalists have been considering the question of what makes an effective city leader. Some of the highest profile and most recent commentators’ thoughts on the matter include:

Benjamin Barber, whose book *If Mayors Ruled the World*, identifies four traits which he argues are commonly exhibited by the most successful city mayors:

- **Personal engagement in city affairs**
  The best city leaders are close to the people and their problems. They are often born and bred city residents. They use public transport, know the city inside out, are recognised and petitioned by their citizens. They have a fundamental understanding of the city’s needs, and, as their home, they are personally passionate about its success.

- **A strong personality marked by both hubris and humour**
  Leading a city requires a strong personality, and Barber muses that at the city level ‘loud, brash and irreverent draws votes and chutzpah wins elections’. Leaders with strong personalities often come to define their city: they can dramatise its personality, energise the city, and increase its influence. Although not a pre-requisite for the job, city mayors are often funny – exemplifying the role that art, creativity and satire have in urban governance. Boris Johnson (London), George Kaminis (Athens) and Antanas Mockus (Bogota) are highlighted as role models.

- **Commitment to the city as a unique entity and a possible and even likely career terminus.**
  The most successful mayors often have limited ambitions with respect to higher office. They see themselves primarily as city leaders, and are content with their role. Indeed, good city mayors often make poor national leaders – the skillsets required of each being sufficiently different.

- **A pragmatic approach to governing.** City leaders have to get things done. As the closest level of government to the citizenship, it falls to city leaders to deal with the ‘day to day’ of running a city, in addition to strategising on the bigger picture. As Michael Nutter, Mayor of Philadelphia summed up ‘You either fill potholes or don’t. The pool is open, or it isn’t’.

Other contemporary urbanists broadly agree with this characterisation of the ideal city leader. Bruce Katz and Jennifer Bradley emphasise the pragmatism of the modern city leader. They write of the modern city leader:

“They are impatient. They do not tolerate ideological nonsense or political bromides. They are frustrated with gridlock and inaction. They bristle at conventional pessimism and focus on constructive optimism. They are risk takers. They do not have a partisan allegiance, they have a political attitude”.

Similarly, Leo Hollis holds up Cory Booker, Mayor of Newark, New Jersey as a best practice example - he is praised for being charismatic, pragmatic and a visible presence on the street.

ii. Observations from ‘Real World’ examples

Using empirical examples, including the case studies included in this paper, our own observations on the characteristics and insights from the OECD LEED case studies and paper on *Local Economic Leadership*, it seems that the skills which are commonly exhibited by the most effective city leaders are:

- **Ability to prioritise catalytic actions and projects.** When city leaders come to office, they are often faced with a daunting array of problems, challenges and causes clamouring for
attention and support. The best city leaders are able to define priorities, and concentrate their efforts and resources on key catalytic actions which will not only meet the city’s most urgent and important challenges, but also build confidence and momentum for a wider programme of investment, development and reform. Ronnie Maclean demonstrated this ability in La Paz, focusing his efforts on the fight against corruption. In cities where powers to raise funds are limited (relent, as many are, on central government hand-outs), prioritisation is particularly vital. Bilbao’s city leaders also understood this, sticking rigidly to spending only on key projects which had received prior budgetary approval from the Mayor. Organisations such as business leadership groups can help city leaders decide which agendas to set and which projects to pursue first.

• **Ability to build coalitions inside and outside City Hall.** Building partnerships, both within and outside the public sector, is an essential ingredient of effective city leadership. Collaboration allows city leaders to overcome the constraints of their institutional framework. We see this in a number of ways:

  - Building coalitions with neighbouring councils can overcome geographic constraints to create coherence across a functional metropolitan area. Tomasz Kayser has been working to this aim in Poznan, and has already created successful metropolitan bodies which promote tourism and entrepreneurship across the city-region.
  
  - The private, community, academic and not for profit sectors all have skills, ideas and funds which can be well employed in city development. Ronald Maclean benefitted from the advice of experts from both academia and the private sector, who helped him to understand the problems within La Paz’s City Hall, and to come up with solutions.
  
  - City leaders who secure support from other sectors also have a better chance of securing greater powers or finances from higher tiers of government – the voice of the coalition is louder than that of City Hall alone. Ken Livingstone understood that support from the business sector would strengthen his negotiating position with central government in relation to both Crossrail and the Congestion Charge in London. With backing from the private sector, Livingstone won government approval for both schemes.
  
  - Coalition building outside of City Hall encourages governance innovation. Representatives from other sectors bring fresh ideas to local government. Partnerships and collaborative bodies are also generally less risk-averse and compliance driven than City Hall. Andrew Boraine, a leader in urban and economic development in South Africa, established the Western Cape Economic Development Partnership (EDP) on this basis. The EDP involves the collaboration of local and regional government, the private and non-profit sectors, and communities with the aim of driving regional innovation networks.\textsuperscript{ex}

As Benjamin Barber argues, “Real problems demand real solutions, which are possible only with the collaboration of a welter of public, civic and private stakeholders.” Katz and Bradley agree that it is only by building and stewarding a strong network that leaders can set a platform for generational change.

• **Appreciation of responsibilities to citizens.** City leaders are representatives of their citizens, and need public support if their projects and policies are to be robust and legitimate. Leaders who recognise the accountability of their position and focus on faithfully serving their citizens interests are usually also responsive and effective leaders. As a result of Graca Fonseca’s experiences as Deputy Mayor of Lisbon, she feels that being attuned to the needs of citizens is a crucial element of being a successful city leader. She explains: “Even if you are prime-minister it doesn’t matter – you can have a sense of proximity with people in terms of speaking with them and empathising with them. That is what I have learnt is very important.” Fonseca and fellow city leaders in Lisbon have set up an innovative participatory budgeting scheme, in which citizens directly decide upon the appropriate means of expenditure of 10% of the city’s annual budget. In Fonseca’s view this is only right as “it is the money of the people in Lisbon who pay taxes, it is not ours.”\textsuperscript{exd}

Of course, public sector leaders need public support if they are to secure re-election, which is usually essential in making real change beyond the short time-span of single electoral terms.
Leaders who transparently serve the interests and concerns of their electorate are presumably more likely to achieve the necessary popularity to secure re-election. Many of the city leaders profiled in this paper made changes in their cities progressively over the course of two or more electoral terms (see for example Michael Bloomberg, Ken Livingstone, Ronald MacLean and Tomasz Kayser).

- **Ability to be bold, visionary and daring.** Robin Hambleton, Professor of City Leadership at the University of West of England says that ‘bold outward looking city leadership is essential if cities are to compete successfully in the global era’. In an era of under-powered cities, a strong and engaging vision of the future city can act as an ‘organising idea’ which assists in inspiring and coordinating an increasingly complex and dispersed leadership system. As we have seen, Valentino Castellani mobilised a bold vision of an international Turin, with an economy based in tourism and higher value sectors, to rebuild the city after a period of severe decline. Leaders in Chicago, Medellin and Curitiba amongst other cities have successfully promoted transformative visions (of a globalised city, an inclusive city and a sustainable city respectively) to transform the levels of ambition and expectation in their cities, and enhance their global reach and appeal.

Distinctiveness is an increasingly valuable characteristic in this 21st century of cities. Bold and visionary leadership is vital in achieving individuality, and in creating a united strategic approach across the governance system. The urban sociologist Charles Montgomery praises the successive leaders of Bogota, Colombia, Antanas Mocktus and Enrique Penalosa, as leaders who had ‘radically different visions for urban salvation’ but who both had dramatic effects on well-being and happiness in their city. Bradley and Katz (2013) note that city leadership visions are especially persuasive and effective when they are grounded in evidence and have been fully tested along with other options and scenarios, taking into account the current and future strengths and assets.

- **Ability to ‘do more with less’**. Nearly ten years on from the global financial crisis, many cities continue to struggle to meet increasingly complex demands within the constraints of the tight budgets and diminished government transfers. Revenue generation is usually partially, if not totally, outside of their control. Therefore in order to ensure consistent and quality service delivery and to support economic growth, city leaders have had to master the art of ‘doing more with less’. This requires prioritisation, tight fiscal management, a focus on efficiency and in particular, increased innovation from local government leaders. Partnerships (whether public-private or between different tiers / neighbouring governments) can play an important role in encouraging the necessary innovation. Kigali’s Aisa Kirabo Kacyira innovatively used partnerships with the international community to secure funds for essential projects. Mumbai’s Uma Adusumilli has effectively prioritised funding for key infrastructure projects despite working in a low co-ordination context and amid multiple competing transport needs.

- **A strong work ethic.** City leadership is not a ‘9 to 5’ job. The role of a city leader involves hard work, long hours, and stretches far beyond their official powers – a good city leader must also build partnerships, persuade, invent and innovate in order to address the city’s challenges. In addition, the city leader is, more so than any other political leader, personally close to the challenges they face. The problems of the city are literally on their doorstep – a constant reminder of the tasks at hand. As a result, successful city leaders require strength, stamina, energy, and commitment to the cause. As Patricia De Lille, who has achieved so much success in Cape Town has said:

> “You have to lead from the front and you have to lead by example, so I don’t have sympathy for people in my office who complain that they work 12 hours a day – that’s the norm for me – I work 16 hours a day. I believe that I am leading by example and setting a good example.”

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9. Conclusion: What leadership will cities need in future?

Different governance contexts and different social, economic and political challenges within individual cities mean that city leaders all face their own unique set of imperatives. A range of leadership methods, policies and styles are appropriate in these different settings, and there is not and never will be a ‘one-size-fits-all’ set of leadership skills and tactics. Nonetheless, two clear requirements for the leadership of the future city are already becoming apparent:

Firstly, innovation will be a key component of leadership in a world of under-powered cities. As urbanisation and globalisation proceed apace, it seems safe to assume that city leaders will continue to be faced by challenges which cannot be met using their formal and mandated powers alone. City leaders will therefore need to continue to innovate in future in order to ‘fill the gaps’ – but they will not be able to do this alone. This means that future city leaders will need to be adept at influencing and persuading other stakeholders, in order to test, demonstrate and make space for their innovations. They will need to become expert in sharing, listening and networking, in order to learn about and adopt successful tools and platforms developed in other cities. They may need to adapt and adjust the innovations of others, in order to implement them effectively in their own cities.

Secondly, city leadership will not be the responsibility of city government alone. City networks, business leadership groups, metropolitan authorities, inter-municipal partnerships and higher tier departments are inevitably drawn into the sphere of city leadership. In the future, we can expect the governance landscape to become increasingly dispersed. As cities become home to more people, become more powerful as economic entities and expand geographically to encompass larger areas, even more actors will be enrolled into the task of leading and shaping them.

The huge diversity of actors involved in city leadership has the potential to be advantageous for cities, adding to their resources, ideas and delivery capability. But in order to secure these advantages, a key task for future city leaders will be making the distributed system of leadership more coherent, as the risk of fragmentation and co-ordination failures are clear and present. This can be done through a combination of:

- **Mechanisms of partnership and coordination** between leaders concerned with different areas of the city or metropolitan area; a Leadership Team for the city with broad representation and delivery responsibilities must emerge and be encouraged.
- **Coalition building** between stakeholders from different sectors and interest groups, that overcomes siloes, information failures and sources of mistrust and misunderstanding about these stakeholders’ respective motives.
- **Reforms** including fiscal reform, devolution of powers, or the redrawing of political boundaries so as to better match functional metropolitan areas. Most city leaders will have to promote a sequence of reforms in order to acquire more authority for their cities, whilst simultaneously making the most of the authority that they have.

The individual city leader – the mayor or other head of city government - retains unique responsibilities in achieving coherence across the distributed system of leadership. It is the elected or appointed city leader who must instigate partnerships, lead coalition building, and spearhead the fight for reform. However the leaders of other organisations, as part of the wider city leadership, also have responsibilities in progressing towards a coherent governance landscape.

Development of city leadership skills and capacity across this **broader system of organisations** must be a key priority for today in order to ensure that cities have the best possible leadership in the future. This means that increasingly we must address the city leadership roles and responsibilities of national and state/provincial officials, business leaders, municipalities and district managers, and civic leaders in order to build a shared leadership system for the majority of city governance models that remain sub-optimally organised. Equally crucial will be supporting elected or appointed city leaders to **build trust and co-operation** across the governance landscape, and helping them to implement jointly conceived strategies so as to make real progress in tackling their cities’ challenges.
Image Sources

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