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Urban management in a European context

Since the works of John Rex (1968), Ray Pahl (1970, 1975, 1979) and Peter Williams (1976, 1978), the concept of urban management and its (re)conceptualisation has reached beyond one discipline and beyond its normative definition. Many authors have attempted to offer an adequate definition; however, convergence on this topic has never occurred. As Richard Stren (1993) notes, the vagueness of the concept exists despite analytical and comparative work on this subdiscipline. To date, Williams' (1978) question of whether urban management is a framework for study, a process or a structure remains unanswered. This paper explains the (re)conceptualisation of urban management as a reform of city administration and claims that its primary task is to bring about a much-needed balance between the social and economic development of the city. In addition, the empirical study "Urban management in EU cities" presented in this paper offers several conclusions. The most relevant conclusion is that EU cities already commonly employ this concept

of urban management. Other conclusions are that, if a city is large, there is a greater possibility that the city administration will adopt urban management; that, if the city is more successful economically (Lisbon benchmark), there is a greater possibility that the city administration will adopt urban management; and that the city's power (Index of City Power) and urban management (Urban Management Index) are not correlated. This final conclusion could imply that the autonomy of city government is irrelevant for successfully implementing urban management. Based on the survey conducted, it can be concluded that implementing an urban management concept, when that concept is defined as proposed in this paper, has a positive effect on some aspects of a city's performance.

Key words: urban management, urban governance, economic success, decentralisation, participation

1 Introduction

Urban management is closely connected to the new role of local governments in the neoliberal era (Davey et al., 1996). In the 1980s and 1990s the term “urban management” simply replaced the older, more conventional term “local (self) government” (Jenkins, 2000). As a concept, it has its roots in local government reform and geographical concepts of “urban managerialism”^[1] in the 1960s (Pahl, Castells, etc.). Later urban management moved into a more interdisciplinary area. Because of its elusive nature (see Stren, 1993) urban management was claimed by a number of disciplines (architecture, sociology, urban sociology, urbanism, political science, etc.), each of which understood and defined the concept differently.

Edmundo Werna (1995) highlights changes in the political and economic framework of society that have influenced the development of the urban management concept. He points out how the economic importance of cities, welfare-state crises (and with them the rise of neoliberalism) and the competitiveness between cities and transformation from governing to governance influenced not only the definition but also to the content of the urban management concept. Because of the specifics of the urban environment, which encompasses both local and entrepreneurial elements, there were efforts to resolve urban problems using traditional management tools and methods.^[2] However, later the concept of managing cities evolved more as a specific management concept. This resulted in use of the term “urban management” in the 1980s.

A city is a special local environment, and in many ways the city’s own characteristics determine how it should be governed and managed. The importance of analysing and developing tools for urban management and governance is therefore a primary consideration. Two arguments favour this need. The first is rapid global urbanisation.^[3] The result of numerous factors, this trend soon will make the city the primary environment for half the world’s population. The second is that, due to the ever-growing economic and political importance of cities, there are no significant pressures for de-urbanisation. Urban environments are therefore a reality that must be tackled. Among other challenges, cities face an ever-growing demand for urban services and infrastructure from two important pressure groups: citizens that demand an environment conducive to a good quality of life and job opportunities, and investors that demand a strong urban infrastructure and capable, highly-specialised labour (Van Dijk, 2006). However, most urban problems are not merely a consequence of a highly demanding, densely-populated environment, but derive more from (or as a consequence of) a lack of ability to address urban problems by implementing appropriate tools (Cheema, 1993; Werna, 1995; Bramezza, 1996; Prud’homme, 1996; Van Dijk, 2006). It is not

too much to say that, in order to face urban challenges, cities must first and foremost respond in an appropriate way. In attempting to find the best way to respond to urban problems, one first has to understand the nature of the environment that city leaders and urban managers are working in. The world in which urban managers function is changing rapidly and the challenges that local officials must meet are shifting accordingly (Van Dijk 2006). David Harvey (1989) describes this as a shift from managerialism to entrepreneurialism. It is indisputable that there is great demand for specialised tools that can help leaders juggle multiple urban challenges while they work toward long-term solutions. Today it is still quite unclear exactly what urban management is and whose responsibility it is to put it into action. As Stren (1996: 415) comments, “the challenge to researchers, as they respond to emerging issues presented by the changing urban reality, is to disseminate their message more effectively to the wider policy and activist community, while maintaining credible levels of logical argument and scientific integrity. The two goals are not incompatible.”

This paper presents a reconceptualisation of the urban management concept. As Michael Mattingly (1994) pointed out, without a more conceptually rich and diverse approach to urban management and support from the research community around the world, the concept has little potential for survival within the rapidly changing international marketplace of development ideas. This paper responds to Mattingly’s concern in three ways. First, the article describes the lack of consensus on defining urban management and presents existing definitions. The second part of the paper presents a new vision of the scope of urban management and its tools. The final section presents analyses of how urban management techniques are employed in cities in the European Union (EU). The analyses include 58 cities in the EU and the results are paired against data that make it possible to conclude whether urban management performance can be linked to some aspects of a city’s success (mostly economic) by correlating application of the model and indicators that reflect a city’s economic performance.

2 Definition of urban management

Urban management is often described as an elusive concept (Stren, 1993; Mattingly, 1994) because academic and practitioner contributions to the debate have not converged, even within their own camps. Although there has been some significant interest in this area from substantive international programmes (e.g., the World Bank’s Urban Management Programme), some openly criticise such exposure as an inhibitory momentum for further definition development. However in order for urban management to *survive* it needs to be granted meaning and substance. A new approach is composed of emphasis on new responsibilities in the managerial process and

identification of those urban actors that are subjects of this process (Mattingly, 1994). Pahl (1975) originally pointed towards urban management or urban managerialism in his book *Whose city?* in which he suggested that urban resources are distributed by the managers or controllers of those resources. These so-called gatekeepers exercise a major constraint on the allocation of urban resources. The focus was on allocation of scant urban resources and the role urban managers played in the game of distribution. In this context, Williams (1978) argued that urban managerialism is not a theory or even an agreed perspective. Later some authors tackle the definition anyway. As Kalpana Sharma (1989: 48) understands it, “it can be described as the set of activities which together shape and guide the social, physical and economic development of urban areas. The main concerns of urban management, then, would be intervention in these areas to promote economic development and wellbeing, and to ensure necessary provision of essential services.” Carole Rakodi (1991: 542) believes that “[u]rban management aims to ensure that the components of the system are managed so that they make possible the daily functioning of a city which will both facilitate and encourage economic activity of all kinds and enable residents to meet their basic needs for shelter, access to utilities and services, and income-generating opportunities.” Forbes Davidson and Peter Nientied (1991: 85) also understand urban management through its active role in the urban process; for them “the essence of urban management is taking an active role in developing, managing and coordinating resources to achieve a town’s urban development objectives.” Bikas Chakrabarty (1998: 505) defines the concept similarly: “with urban management concept we are getting things done, i.e. achieve objectives and solve urban problems using efficiently the physical, financial, human and other resources within the control of an urban sector entity [sic].”

Mattingly (1994: 201–205) adds a strategic component to urban management because in his opinion urban management is “taking sustained responsibility for actions to achieve particular objectives with regard to a particular object. . . . [T]his responsibility is to determine what needs to be done, to arrange that it be done, and then make certain that it is done for the city’s development.” For Mattingly, urban management is also “public administration or growth management or organisational management.” Giles Clarke (1991) understands urban management as a tool for encouraging efficiency and equity in the use of technical, human and financial resources in both the public and private sectors. Therefore Clarke’s city is an engine of growth, and urban management is a tool with which economic power can be fully developed. Shabbir Cheema (1993: 7) adds relations between nongovernmental organisations and local government to the definition of urban management: “it is aimed at strengthening the capacity of gov-

ernment and non-government organisations, to identify policy and program alternatives and to implement them with optimal results. The challenge of urban management is thus to respond effectively to the problems and issues of individual cities in order to enable them to perform their functions.” A similar view is offered by Anthony Churchill (1985: v), who believes that “the term urban management is beginning to take on a new and richer meaning. It no longer refers only to systems of control but rather to sets of behavioural relationships, the process through which the myriad activities of the inhabitants interact with each other and with the governance of the city.”

Kenneth Davey (1993: 4) believes that “urban management is concerned with the policies, plans, programs and practices that seek to insure that population growth is matched by access to basic infrastructure, shelter and employment. While such access will depend as much, if not more, on private initiatives and enterprise, these are critically affected by public sector policies and functions that only government can perform.” Meine Pieter Van Dijk (2006: 56) offers a relatively broad definition: “urban management is an effort to coordinate and integrate public as well as private actions to tackle the major issues the inhabitants of the cities are facing, to make a more competitive, equitable and sustainable city.” Ilaria Bramezza (1996: 34) also defines the term very broadly: “urban management can be defined as the co-ordinated development and execution of comprehensive strategies with the participation and involvement of all relevant urban actors, in order to identify, create and exploit potentials for the sustainable development of the city.” Reaching an academic consensus on what urban management is plays a vital role in the further development of the concept. Mattingly (1994) even believes that a clearer notion of urban management within the academic community could move its practise high on political agendas. Additional qualities of the concept would be recognised by citizens, who would inevitably press for its implementation.

3 Urban management as an administrative tool

3.1 Urban management and political science

So far I have only presented the lack of convergence in defining urban management. The next logical step is therefore to present an alternative opinion on what urban management is – or, what even more importantly, what it is not. At the same time, one also has to be cautious about the “framework of study” (to provocatively use Williams’ [1987] rhetorical question) that urban management is framed in. Studying urban management is progressively (quasi)interdisciplinary, although, according to Stren (1993), real interdisciplinarity is impossible to reach. ^[4] The presumption is that, in future attempts to (re)define

urban management, the domains of dominant disciplines (urbanism, urban sociology, and architecture) should be limited, giving voice to other disciplines, especially to administrative science and political science. Political science has focused on cities in the past, starting with Robert Dahl (1967) and his thesis on pluralist local democracy and how complex problems can only be solved through the help of pragmatic coalitions. Dahl made urban sociology attractive to political scientists, although it was dominated by sociologists and geographers at that time: “[a]lthough political science (however not public administration) has at this time focused mostly on smaller cities and neglected larger, complex and more confused metropolis [sic]” (Stren, 1996: 404).

The first political science approach to urban studies is urban regime theory (Stone, 1989; Stoker, 1996; Hamel, 1999), proposed in the 1980s and 1990s in the U.S. Unlike proponents of elitist theory, which focuses on who governs, proponents of urban regime theory try to answer the question of how to obtain appropriate capacities to deal with urban problems and develop the urban community. Clarence Stone (1989) believes that a complex urban environment prevents any single political group from taking over complete control, and therefore regimes assembled from different actors (especially shareholders) are created, which have a capacity for policy realisation. Power is obtained by those that also have the capability for problem solving. Proponents of urban regime theory wanted to prove that effective city management depends on the ability of city government to include other actors (mostly economic) into the policy-making process. In this context, individual regimes are being built and their purpose is to solve individual problems. The weakness of urban regime theory is that too much attention is placed on building partial policy networks and it neglects democracy and participation in the city. It legitimises the great power that individual actors (especially economic) or groups of actors have on policy-making. More attention should be devoted to the lack of legitimacy of these actors, and therefore the lack of assuming responsibility for the decisions made.

In this context, one can draw parallels between urban regime theory and Pahl’s (1979) gatekeepers (which allocate scarce urban goods). Pahl discovered power relations and urban elite already in the 1400s, when elite concentration was enhanced despite urban liberalisation. Following the development of the urban elite, Pahl discovered that political elites have a much greater role in capitalistic post-industrial society than urban sociologists believe. Understanding Pahl’s conception of urban managers’ role in allocating scarce urban goods is crucial for further understanding urban management.

3.2 Urban management as management

As indicated by its name, urban management is first and foremost management (as proposed by Chakrabarty [1998]). It is a specific type of management common to city administrations. The need for a specific type of management to city administrations derives from two characteristics. First, city administrations function in a very dynamic environment (Helga Leitner & Eric Sheppard [1998] also mark it as entrepreneurial). Second, because city administration is still part of the public sector, the principle of public good has to be followed as well as following much (national) legislation, which usually limits fast and responsive competitive behaviour by the city administration, and therefore by the city itself. Urban management addresses this by developing tools and dimensions that are within the scope of city administrations and at the same time are oriented towards optimising their functioning (e.g., cost-benefit analyses, risk impact assessments, evaluation of annual planning, preparing annual plans, benchmarking, etc.).

Urban management can therefore be understood as a basic rule of scale. Its chief concern should be to maintain a balance between the shareholders (economic subjects, investors, and multinationals) and stakeholders (citizens, civil society, and NGOs). The basic balance between social and economic development should be pursued. To attract investors to the city, a specialised labour force and infrastructure should be provided. The labour force is mostly attracted by job availability and a high quality of life. In order to attract investors, the labour force must therefore be attracted as well, and vice-versa. This centrifugal force works independently (Stren, 1993), and the task of urban management is to enable city administration to perform accordingly and to balance both demands. Some might oppose the proposed idea because this balance is also regulated by public policies that are in the domain of city government. However urban management and managing the city should be understood as separate processes. Moreover, this could be the contribution of political science to urban management concept building. As Stren (2000) stresses, as a result of the influence of business approaches in urban administration in the 1960s and 1970s, this began to be called urban management in the 1980s, and so urban management is reformed city (urban) administration. A broader understanding of urban management as managing and leading all city matters is actually managing the city, and in this process other (political and economic) actors are also involved.

Of course, urban management is not the same as managing the city. Urban management is less than managing the city because in that case one is actually talking about urban gov-

ernance. Urban management is not strategic, but instead an operational level of organisational functioning. In this context, urban management is *merely* a new reformed means of city administration functioning (excluding city government). Strict division of management and governance is generally accepted as difficult (see Dayton, 2001; Oehler-Şincai, 2008). There are two prevailing approaches to urban management. The first approach understands urban management very broadly, as the activities of all actors in the city (and others) for optimising the city's functioning. Does every activity whose goal is development and managing the city constitute urban management? In this context, urban management overlaps with the policy-making process. Therefore the terms "management" and "governance" overlap. We believe that the functions and processes of urban management should not overlap with governance processes because governance has a specific function of decision making, but not the function of implementation. Nirmala Rao (2007: 4) emphasises that "cities are governed and managed." Albert Reiss (1970) concurs: "If urban governance is a relationship between government and governed, than urban management is relationship between the servers and the served in service delivery [sic]."

3.3 Urban management model

The challenging part of (re)conceptualisation of urban management is to define the substance of the concept. Based on the literature presented, it can be concluded that the main task of urban management is the optimal function of city administration (and therefore of the city itself). The next step would be defining the tools that enable city administration to optimise functioning. When observing how individual city administrations deal with certain issues, categorisation of mechanisms can be proposed. Through institutional isomorphism, these mechanisms are in common use in cities globally. (Re)conceptualisation should be understood in this context and illustratively urban management should be understood as a basic rule of scale. Its chief concern should be to maintain a balance between the stakeholders (the citizens) and the shareholders (the investors), protecting and giving a voice to citizens while at the same time providing opportunities for investors.

The assumption was that urban management enables optimal functioning of city administration, which is oriented towards improving economic and social conditions in the city (Mumtaz & Wegelin, 2001). The content of urban management should therefore present how the city (or city administration) enables these improved conditions. There is a wide range of good practices implying how one could successfully tackle varied and numerous urban problems (United Nations Human Settlements Programme, 2004) and how to achieve optimal city development. The city's response could be dif-

ferent according to its predispositions (historical, legislative, and macroeconomic) and environment (political, economic, and administrative); however, there is a way of managing that enables optimal adaptation to predispositions and environment characteristics. Therefore urban management should encompass all those dimensions that cover the basic concepts of optimal city management. These dimensions should be paired with established administrative practices that have a positive effect on the city's success (social and economic). In this context, the concepts of city competitiveness and sustainable development (Bramezza, 1996), autonomy of the urban manager (Svara, 2003), participation (Hambleton, 2004), and decentralisation (Van Dijk, 2006) were used. "Some other dimension could be included into urban management concept, as the concept is always changing and almost fluid, responding to the ever changing environment city administration has to function in [sic]" (Van Dijk, 2006: 4). First it should be tested whether these basic dimensions have a real effect on the city's (economic and/or social) success.

4 Empirical study: "Urban management in EU cities"

4.1 Methodology

Manifestation of the proposed model of urban management (for a detailed description of the model, see Bačlija, 2010) can be observed by implementing urban management tools in practice. To go beyond mere theorising, it is necessary to test the proposed model in a socio-political reality. First it had to be established whether the urban management concept as proposed has been implemented in city administrations. Second, because the project is designed to clearly determine whether transforming a city's administration produces measurable outcomes in a city's performance, the approach to indicators documented here included an emphasis on quantitative, rather than qualitative, indicators. Three hypotheses were tested.

- Larger cities use more elements of urban management.
- More economically successful cities^[5] apply more elements of urban management.
- More powerful cities^[6] apply more elements of urban management.

This research is based on combining results from a survey conducted by the author among urban managers with independent variables provided by a database from Urban Audit. The focus group was urban managers in EU cities, which (because one of the elements of urban management is the *role of the urban manager*) were the only subjects that could provide all the data needed. In connection with this, two questions must be answered: who are urban managers, and why was this group

of cities chosen? Because it is very difficult to define who in the city government is an urban manager (especially due to the wide scope of local government systems in the EU; Borja, 1996; Hughes, 2003; Van Dijk, 2006), I had to start from three basic predispositions. First, because urban management is first and foremost management, it is managers' task and responsibility. Second, based on James H. Svara's (2003) U.S. cities research, an urban manager is the highest-ranking civil servant in the local government. Third, because surveys in the EU (Hambleton & Sweeting, 1999; Daemen & Schaap, 2000) have already confirmed the correlation between the role (autonomy) of the manager and city success, it can be understood that this function (of urban manager) is common in local government systems. The other question is why this group of cities was included in the survey. Because of relative proximity of the subjects, I first focused on European cities. This group was later narrowed to the group of cities included in Urban Audit,^[7] so that data for independent variables were available. Urban Audit gathers data only for cities in EU countries, and so the group was narrowed from European cities to EU cities, and within that the group of 120 cities that are included in detailed periodical data gathering. The 120 cities included in the representative sample of cities were selected by the following standards: approximately 15% of the EU population should be covered, all capital cities were included where possible, regional capitals were included, both large cities (more than 250,000 inhabitants) and medium-sized ones (between 50,000 and 250,000 inhabitants) were included, and the se-

lected cities should be geographically dispersed within each country (Urban Audit, 2004). In the last stage of the research, the data obtained were processed with SPSS and merged with Urban Audit data.

4.2 Results

One must be cautious when presenting results obtained through questionnaires and correlations with existing databases. There are several limitations that pose a risk of unintentional generalisation, such as the causality of some variables, respondents misunderstanding questions or terms, and others (see Armstrong & Lusk, 1987; Heberlein & Baumgartner, 1978; Singer, Hippler & Schwartz, 1992). One must note that relatively low correlations were detected; however, due to the small n problem^[8] this is to be expected.

Correlations (Pearson coefficient and beta coefficient) are presented in Table 1 at a significance level of 10% for urban management dimensions, urban management index and listed independent variables (Population, Average GDP per capita,^[9] City power index,^[10] Lisbon benchmark^[11] and other dimensions not presented in the article).

First, cities with a higher City power index value are more likely to be decentralised. This could be due to relatively higher autonomy of the city, leaving more room for manoeuvring around decisions relating to internal decentralisation. There

Table 1: Correlations between variables (Pearson coefficient and beta coefficient).

	Participation	Decentralisation	Urban manager autonomy	City competitiveness	Sustainable development	Urban management Index
Population	$P = -0.204$ (sig. = 0.136)	$P = 0.268^*$ (sig. = 0.048)	$P = 0.033$ (sig. = 0.809)	$P = 0.155$ (sig. = 0.263)	$P = 0.343^*$ (sig. = 0.011)	$P = 0.212$ (sig. = 0.124)
	$\beta = -0.230$ (sig. = 0.376)	$\beta = 0.239$ (sig. = 0.300)	$\beta = 0.035$ (sig. = 0.876)	$\beta = -0.089$ (sig. = 0.731)	$\beta = 0.343$ (sig. = 0.182)	$\beta = 0.120$ (sig. = 0.661)
	$P = -0.270^*$ (sig. = 0.069)	$P = 0.110$ (sig. = 0.460)	$P = -0.255$ (sig. = 0.081)	$P = 0.153$ (sig. = 0.315)	$P = 0.254$ (sig. = 0.092)	$P = -0.004$ (sig. = 0.981)
Average GDP per capita	$\beta = -0.043$ (sig. = 0.869)	$\beta = 0.068$ (sig. = 0.767)	$\beta = -0.463$ (sig. = 0.055)	$\beta = 0.322$ (sig. = 0.223)	$\beta = 0.276$ (sig. = 0.285)	$\beta = 0.035$ (sig. = 0.900)
	$P = -0.102$ (sig. = 0.501)	$P = 0.240$ (sig. = 0.104)	$P = -0.210$ (sig. = 0.153)	$P = 0.018$ (sig. = 0.908)	$P = -0.001$ (sig. = 0.997)	$P = 0.002$ (sig. = 0.991)
City power index	$\beta = -0.010$ (sig. = 0.964)	$\beta = 0.354$ (sig. = 0.104)	$\beta = -0.087$ (sig. = 0.690)	$\beta = 0.058$ (sig. = 0.799)	$\beta = -0.060$ (sig. = 0.790)	$\beta = 0.106$ (sig. = 0.666)
	$P = 0.267^*$ (sig. = 0.091)	$P = 0.031$ (sig. = 0.844)	$P = -0.002$ (sig. = 0.988)	$P = 0.091$ (sig. = 0.577)	$P = 0.141$ (sig. = 0.386)	$P = 0.199$ (sig. = 0.219)
Lisbon benchmark	$\beta = 0.317$ (sig. = 0.159)	$\beta = -0.108$ (sig. = 0.612)	$\beta = -0.175$ (sig. = 0.414)	$\beta = 0.185$ (sig. = 0.402)	$\beta = 0.269$ (sig. = 0.220)	$\beta = 0.225$ (sig. = 0.342)

Note: * The result is significant at 10%; $n = 58$.

Source: Bačlija (2010)

is also a correlation indicated between city decentralisation and GDP per capita. In sum, over half (53.6%) of the cities surveyed are decentralised and, although sub-decentralised quarters have elected representatives, only 18.9% of the representatives' decisions are binding on city authorities. Therefore true decentralisation (not mere deconcentration) is questionable.

Second, when analysing the "user participation" dimension, I tested both forms of participation: political participation and user participation. I concluded that there is a very high possibility for cities to implement both types of participation (75%); this led me to conclude that it is not necessary to distinguish between both. As expected, participation correlates with the Lisbon benchmark, which means that the greater the involvement of citizens in making decisions and providing services, the greater the competitiveness of the city. This is similar to Poul Erik Mouritzen's (1989) understanding that the greater the involvement of citizens in policy making, the greater city competitiveness. Because the Lisbon benchmark is highest in Scandinavian cities, where the countries traditionally have a strong and democratic local government (Lane, 1994), higher participation could be a consequence of an institutional framework and a democratic tradition, rather than evidence of *good* urban management. When testing the participation dimension, I found (not surprisingly) that the number of inhabitants and participation are negatively correlated. According to Mouritzen (1989), in larger cities there is a greater possibility for citizens to feel alienated and decline to participate in any form. What is initially surprising is a negative correlation between participation and GDP per capita, but adding the beta coefficient eliminates any correlation.

The third dimension, "autonomy of urban manager", leads to the conclusion that the situation in the EU is quite the opposite from experiences in the U.S. (Svara, 2003; Mouritzen & Svara, 2002). The majority of urban managers in the EU are appointed (86%), but the remainder are elected (14%). The professionalism (non-partisanship) of urban managers has positive effect on a city's performance (Borja, 1996); however, they are rarely employed based on merits. When asked how they perceive themselves, the majority of urban managers answered that they are "merely" policy executors (68.4%), but nearly a third of the urban managers replied that they are formal decision-makers. Another 22.8% see their role as informal decision-makers and 22.8% as mediators. Comparing the correlations of this dimension to independent variables paints a grim picture. Unlike their colleagues in the U.S., autonomous urban managers in the EU do not have any positive effect on their city's performance.

The last two dimensions, "city's competitiveness" and "sustainable development", are understood in this case to represent

qualities of city administration (management). Accordingly, I tried to measure only those activities within these dimensions that are, or can be, provided by management. When measuring "sustainable development" it can be concluded that there is a negative correlation between population density and sustainable development, and between sustainable development and the average employment rate. When all the dimensions are joined and the values are recoded in the Urban Management Index (Bačlija, 2010), some cumulative effects can be observed. There is some indicated correlation between the Urban Management Index and the number of inhabitants (the Pearson coefficient is 0.212), which could lead to the conclusion that larger cities are more likely to implement urban management reform.^[12] Other variables do not imply any significant correlation with the Urban Management Index. I tried to inspect this in detail using multiple regression techniques. A weak correlation was detected between the Urban Management Index and the Lisbon benchmark, which means that the city's competitiveness and its urban management could be connected.

5 Conclusion

Because of the rising number of tasks and competencies that are devolved from the national level to the local level, cities are increasingly more autonomous in creating their own strategies for development. Cities are becoming the "engines of growth" and are attracting investors and highly specialised labour (Hall, 1993). In contrast to economic efficiency and strategic adaptability, one finds growing urban problems such as: 1) polarisation and fragmentation (of society and public goods), 2) environmental pollution, 3) decaying infrastructure, and 4) high social *deterioration* (criminal and violence; National Research Council, 1999; Businaro, 1994). These urban problems are closely connected to a large and very dense urban population. Studies show that the optimal city size for local government to provide public services is between 25,000 and 70,000 citizens (Dahl, 1967; Hirsch, 1968; Mouritzen, 1989; Richardson, 1993). Because most cities are much larger than this, the quality of public services is expectably low. According to Douglas Yates (1977), the size and heterogeneity of a city prevents coherent planning and policy-making, making urban problems virtually impossible to resolve. Cheema (1993: 3) concludes that there are only two possible answers to urban problems: "to reduce the pressure of urbanisation or to improve urban management."

The article suggests that (re)conceptualisation of urban management is a reform of city administration and its task is to create a much-needed balance between social and economic development. Both areas have a fragile coexistence. In order to attract investors, it is necessary to provide a suitable labour force, and this can only be attracted with jobs and quality of

life (infrastructure, housing, services, etc). If investors are to be attracted, one must attract a labour force, and vice versa. A balance between both can be established via five dimensions of urban management: city decentralisation, user participation, an autonomous manager, sustainable development, and city competitiveness. These dimensions act as a fluid contextualisation of the concept because new dimensions are always possible (much like new public management, which encompasses a whole range of tools that are manifested in various combinations).

Based on empirical research (the model was tested on 58 cities in the EU), it can be concluded that urban management is commonly employed in the EU. The correlation between application of the model and indicators that imply a city's high economic performance was also tested. It may be concluded that, if a city is larger, there is a greater possibility that urban management is adopted by the city administration; that if the city is more economically successful (Lisbon benchmark), there is a greater possibility that urban management is adopted by the city administration; and that city power (index of city power) and urban management (urban management index) are not correlated. This could imply that the autonomy of city government is irrelevant for the implementation of urban management. Based on the survey conducted, it can be concluded that the urban management concept, as proposed in this article, has a positive effect on some aspects of a city's performance.

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Notes

[1] Urban managerialism is a theory of urban processes, founded by Ray E. Pahl (drawing on Weber's sociology theory). Urban managerialism focuses on power relations and conflicts, on the role of the market economy and polity, and the assumption that redistribution and allocation of urban goods influence the spatial picture of the city. Under urban goods, Pahl (1975) includes housing and education. Both goods are limited, and therefore urban managers or gatekeepers allocate access. The term "urban managerialism" was later changed to "urban management" (see Mattingly, 1994; Werna, 1995; Chakrabarty, 1998; McGill, 1998) and gradually changed meaning as differently understood, from urban sociology to economics and later into political science and public administration.

[2] Management as a working process developed mostly in the 1970s, after the economic crisis influenced the private sector to change effectiveness in organisations. In addition, technological development also influenced working processes in organisations;

however, this mostly influenced administrative systems (Flynn & Strehl, 1996)

[3] Based on a United Nations report (2008), the urban population can be expected to increase from 3.3 billion in 2007 to 6.4 billion in 2050).

[4] This does not mean that it is not necessary or important. Marjan Brezovšek and Damir Črnčec (2007) similarly understand interdisciplinary in public administration. According to them, interdisciplinary approach has both a heuristic and prescriptive value.

[5] Competitiveness and economic successfulness are measured by the Lisbon Benchmark Index (in addition, this study also uses individual indicators of economic success; e.g., GDP per capita and employment rate; Urban Audit, 2004).

[6] According to the City Power Index (Urban Audit, 2004).

[7] See Urban Audit's webpage: <http://www.urbanaudit.org>.

[8] It should be noted that, although this study has a small *n* problem, it is currently the most extensive study on this subject matter.

[9] GDP is the total market value of all final goods and services produced in the city in one year. To estimate GDP per capita, total GDP is divided by number of inhabitants (regardless of age or working activity of the population). Estimating a city's GDP is more difficult due to daily commuting by workers. They are not residents, but do produce final services and goods. To balance the influence of national economies, the GDP of the city was recalculated in relation to the GDP of the country. This made possible a relative (not absolute) GDP value, in a ratio with national GDP. National GDP represented 100 points and the city's GDP was recalculated as a per cent of this 100% whole.

[10] The extent of influence on a city's success is largely dependent on the power of city government. According to this, Urban Audit (2004) proposed the "City Power Index", which takes into account various measurable indicators, such as spending power (the size of the budget and resources controlled by the city authority) and control over income (the ability to influence income levels, notably through local taxes and charges and percentage of the national budget for local government). The aim of the index is to assess the power of the city's government within the national system.

[11] The Lisbon Benchmark is an index used to assess implementation of the Lisbon strategy and is closely linked to the observed subject (in the case at hand, the city). It is built on the following variables:

- GDP per total resident population;
- Labour productivity: GDP per person employed;
- Employed residents: percentage of 15- to 64-year-olds with jobs;
- Employment rate of older workers: percentage of economically active 55- to 64-year-olds;
- Long-term unemployment of older workforce: percentage of 55- to 64-year-olds unemployed continuously for more than one year;
- Youth education attainment level: students in upper/further and higher education as a percentage of the resident population in the age group 15 to 24;

- Youth unemployment: percentage of 15- to 24-year-olds unemployed continuously for more than 6 months (Urban Audit, 2004).

^[12] Frannie Leautier (2006) offers similar findings regarding the size of the city and some public services.

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