
RECONCEPTUALISATION OF URBAN MANAGEMENT: EVIDENCE FROM EU CITIES

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Abstract

The paper explains urban management as a reform of city administration and claims that the primary task is to bring about a much-needed balance between the social and economic development of the city. Empirical research, presented in the paper offers several conclusions. The most relevant conclusion is that EU cities already commonly employ this concept of urban management, despite the lack of academic consensus. 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, there is a greater possibility that the city administration will adopt urban management; and that the city's power and urban management are not correlated. Based on the survey conducted, we conclude that applying the 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.

Keywords: managerialism, urban management, urban governance, city administration

1. INTRODUCTION

Urban management is closely connected to the new role of local governments in the neoliberal era (Davey et al, 1996). As a concept, it has its roots in local government reform and geographical concepts of "urban managerialism" in the 1970s, but it basically flourished as an institutionalized concept from the mid-1980s when it was championed by a number of key international donor agencies for the developing world (Jenkins, 2000).

Werna (1995) highlights changes in the politico-economic framework of society that have influenced the development of the urban management concept. He points out how the modes of production prevailing throughout the world at that time were being restructured, the associated changes in the regime of accumulation, with its emphasis on the locality, and the increasing complexity and fragmentation of society. In addition, we have to consider welfare-state crises (and with them the rise of neoliberalism), as well as the wave of decentralisation and competitiveness between cities. Because a rising number of tasks and competencies have devolved from the national level to the local levels, cities have become 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). These global

changes have dramatically influenced urban development and with it, the development of urban management.

A city is a special local environment; 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 urbanisation¹. The result of numerous factors, this trend made a city the primary environment for half the world's population. The second is that due to the ever-growing economic and political importance of the cities, there are no significant pressures for de-urbanisation. Urban environments are therefore a reality we have to tackle. Among other challenges, cities are faced with is an ever-growing demand for urban services and infrastructure from two important pressure groups: citizens demand an environment conducive to a good quality of life and job opportunities, while investors demand a strong urban infrastructure and capable, highly-specialised labour (Van Dijk, 2006). Most urban problems are not merely a consequence of a highly demanding, densely-populated environment, however, but derive more from (or as a consequence of) lacking the ability to address urban problems by implementing appropriate tools. It is not too pretentious to say that in order to face the urban challenges, cities must first and foremost respond in an appropriate way (Cheema, 1993; Bramezza, 1996; Prud'homme, 1996; Werna, 1996; Van Dijk, 2006).

In attempting to find the best way of responding to urban problems, we first have to understand the nature of the environment that city leaders and administrators are working in. The world in which urban managers function is changing rapidly and the challenges that local officials must meet shift accordingly (Van Dijk, 2006). Harvey (1989) describes this as a shift from managerialism to entrepreneurialism. It is indisputable that there is great demand for specialised tools which can help leaders juggle multiple urban challenges while they work toward long-term solutions. Urban management techniques and strategies have the potential to be developed into such a primer or playbook.

The goal of this article is to present a reconceptualisation of the urban management concept. As 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 article responds to Mattingly's concern in four ways. First, the article describes the lack of consensus on defining urban management. Second, it explores the relationship between urban management and

¹ Based on the United Nations report (2008), we can expect urban population to increase from 3,3 billion in 2007 to 6,4 billion in 2050.

urban governance, and the way these two concepts are commonly misrepresented. In the third part of the article, the author presents her vision of the scope of urban management and its tools. In the final section, the author presents analyses of how urban management techniques are in EU cities. The discussion pairs results from a survey of urban managers against data that enables the author to conclude whether urban management performance can be linked to some aspects of a city's performance by correlating application of the model and indicators that reflect a city's economic performance.

2. (LACK OF) A DEFINITION OF URBAN MANAGEMENT

Urban management is often described as an elusive concept (Mattingly, 1994; Stren, 1993) 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"), definition of urban management never rose to a place on the academic agenda.

Pahl (1975) originally pointed towards urban management or urban managerialism in his book entitled, "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 scarce urban resources and the role urban managers played in the game of distribution. In this context, Williams (1978: 236) argued that "urban managerialism is not a theory [or] even an agreed perspective. It is instead a framework for study". He specifically observed the players in the process of resource distribution.

There has been considerable debate as to whether urban managerialism should simply be concerned with the role of government officials (at both central and local levels) as mediators or whether it should encompass a whole range of actors in both public service and private enterprise who appear to act as controllers of resources sought by urban populations (ibid.).

Leonard (1982: 10) seemed to concur, arguing that the origins of this managerialist thesis is the "concern with the institutions and officials empowered to allocate resources and facilities". As the 1980s progressed, the developing world experienced a shift in emphasis from the donor community. The provisions of mono-dimensional infrastructure schemes were being questioned as donors increasingly realised that such projects had inevitable and major consequences on other parts of the recipient's economic, social and environmental systems. Two changes were the gradual result. First, rather than deliver major engineering projects, donors moved towards a process of building institutional capacity

and capabilities that allowed developing countries to provide and maintain their own infrastructure. This was the birth and growth of institutional development as a distinct intervention process in the developing world. Second, donors came to recognise the inter-connections between various infrastructure projects, particularly in the urban sector. In that context, the academic examination of how to define urban management moved onto two different paths.

The first, and larger, group of authors considered urban management to be a process in which all interested parties (citizens, non-governmental organisations [NGOs], government, investors, etc.) took part in order to make the workings of a city meet their needs. Most commonly these definitions would be similar to Churchill's (1985: v):

...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 behavioral relationships, the process through which the myriad activities of the inhabitants interact with each other and with the governance of the city.

Similarly, Cheema (1993: 7) views urban management as a process of integrated and deliberative decision making. Moreover, he considers that urban management is a holistic concept.

It is aimed at strengthening the capacity of government 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.

We should be cautious when understanding urban management as broadly as this. First, from the urban managerialist's point of view, urban management is not an integrated process of decision-making by all urban stakeholders and shareholders. Second, we already know a term for such a definition – urban governance. It could be that studies of urban governance are impinging on the urban management literature, which is why we will devote the next chapter specifically to the relationship between urban management and urban governance.

3. URBAN MANAGEMENT VS. URBAN GOVERNANCE

As mentioned in the previous chapters of this paper, some authors comprehend "urban management" so broadly that their definition begins to overlap the meaning of the term "urban governance". In order to understand the difference, it is first necessary to present what urban governance is, and therefore what urban management is not. Note that management and governance are distinguishable. "Management" refers to how officials execute the government's policies (*i.e.*, delivering services and enforcing

regulations), while “governance” refers to more in the case of local government (Van Dijk, 2006). Rao (2007) seem to concur: “cities are governed *and* managed.”

Let us first address what governance is. Governance, as distinct from government, refers to the relationship between civil society and the state, between the rulers and the ruled, the government and the governed. McCarney, Halfani and Rodriguez (1995). McCarney (1996) believes that a good definition of governance is hard to find. She observes that the term *governance* is commonly misinterpreted as government or management. It should be noted that there are several ways to understand governance in structural terms. Pierre and Peters (2000: 14-22) present four different constructs: governance as hierarchies, governance as markets, governance as communities, and – as governance is most commonly understood – as networks².

Albert Reiss (1970) explains: *If urban governance is a relation between government and the governed, then urban management is a relation between servers and the served...*

It is obvious that there is a relatively clear distinction between urban management and urban governance. If, in the case of urban management, we refer to the officials executing the policies and, in the case of urban governance, we think of additional components.

It is safe to say that governance is about leadership, government is about both leadership and implementation, and public management is about implementation. The results of leadership and implementation measure the quality of governance, but the line of distinction in the governance-management dichotomy is very thin and blurry. It is even vaguer than the distinction between the political-administrative dichotomy, although in a way it is quite similar (see Peters, 2001; Aberbach, Putnam and Rockman, 1981). Managerial approaches give a more peripheral role to elected officials, compared to the traditional system of government, by “letting the managers manage” (Pierre and Pieters, 2000: 64).

As Chakrabarty (1998) concluded, urban management is still *management*, and we will incorporate this conclusion throughout our reconceptualisation. The next logical question, therefore, is how (or perhaps, if) urban management is different from other forms of public management.

Is urban management New Public Management in disguise?

² One of most familiar forms of contemporary governance is a policy network, which is not unlike the theories of urban regime (Stoker, 1996; Stone, 1989; Hamel, 1999). This similarity is another reminder that governance is closely linked to urban space.

There are several parallels to be drawn when we compare urban management and other public management reforms (we will use the term New Public Management (NPM) as an umbrella concept for the shift in public management styles)³. Van Dijk (2006) and Davidson and Nientied (1991) believe that urban management should incorporate NPM theory. Van Dijk (2006: 45) adds: "I think the challenge for urban managers is to make this theory (NPM) work."

Others oppose, stating that NPM is not an adequate response to urban problems, therefore urban management should take another path. Hambleton (2004) suggest that while the NPM has led to improvements in some urban services, in has serious limitations. He believes that NPM reforms often fail to connect to a key driver of public service improvement – the energy and enthusiasm of citizens and communities. There is a lack of academic research that would offer an insight on how, or if, NPM reforms influenced a shift in management style in the city administrations. Stren (2000) believes that partly as a result of the influence of business approaches to public administration in the 1960s and 1970s, what had been "urban administration" simply began to be called "urban management" in the 1980s. In that context, Hambleton (2004) adds,

Out went the old town clerk who 'administered' local services and in came the new chief executive who was appointed to 'manage' the local authority on behalf of the elected members. (8)

So the question whether urban management is NPM in disguise or a completely new approach to reforming city administration is yet to be answered. There are some indications that NPM tools are being implemented successfully on the city level in the European Union (EU) (Daeman and Schaap, 2000: 175; Bačlija, 2010). Similar findings are offered for cities in the United States (New York (Weikart, 2001), Milwaukee (Norquist, 1998) and Indianapolis (Goldsmith, 1998) and elsewhere (Prohl, 1997). This implementation of NPM does not imply that there may not be another even more successful and appropriate tool for tackling urban problems.

This paper suggests that

- the term "urban management" be preserved and given substance. Since it has been on the academic agenda for decades, it would be unwise to let it die "within the rapidly changing international marketplace of development ideas" (Stren, 1993: 137). Ideas like New City Management (Hambleton, 2004), Integrated Urban Management (Chakrabarty, 2001), Project

³ New Public Management refers to a cluster of contemporary ideas and practices that seek, at their core, to use private sector and business approaches in the public sector (Denhardt and Denhardt, 2003: 12).

Management (Mattingly 1994: 201), Development or Growth Management (Mattingly, 1994: 201), etc., could be all incorporated into this umbrella term.

- urban management should be distinguished from NPM reforms, because city administrations are under different constraints than state administrations. Calls for slimmer state government have caused a decentralisation of numerous tasks that are now within the authority of the local (city) government. Providing local services demands financial resources that cities have to raise. State subsidies are mostly insufficient, so cities have to compete in the market, which brings cities closer to a business environment. Another salient feature of cities is the extremely high density of their population. According to the United Nations (2008), the world average population is 48 inhabitants per km², but Dhaka for example struggles with 43.752 inhabitants per km² (Mumbai - 23.088; Delhi - 26.276; Seoul - 17.215; Tokyo - 14.151; New York - 10.452; Moscow - 9.644; London - 4.863). Extreme population density creates additional constraint on urban services and infrastructure, as well as degrading the environment, which again puts city administrators under pressure. All this multiplies the number of conflicts in the city, especially between citizens, as users of services and infrastructure, and local government, striving to provide services while under increasing constraints on urban management.

4. URBAN MANAGEMENT: MANAGING THE CITY?

So far we have presented the limitations of proposed ways to define urban management, but our argument is not that these definitions are unsuitable or even wrong. Rather, our view is that the underlying presumptions are incorrect. Urban management does not equal managing the city; rather, urban management is less than managing the city. In order to manage the city you employ urban governance. To supplement urban governance you use urban management, which is the way city administration works (or should work).

The main obstacle to proposing an urban management model is to ensure that institutional complexity would match urban complexity, and even more, to propose a model that would fit different urban environments. As a continuing consequence of urban management being presented by Stren (1993: 125) as an "unanalysed abstraction", there is a lack of consensus today on what urban management should encompass.

To avoid inductive generalisation, we believe that urban management should be defined similarly to NPM⁴. Urban management is a reform of city administration following a basic rule of scale (as is NPM's rule of following private business methods). Its chief concern should be to maintain a balance between the stakeholders (the citizens) and the shareholders (the investors), protecting and giving voice to citizens while at the same time providing opportunities for investors.

This mirrors a principle of urban governance, so the tools and methods applied in the course of urban management should be those that are within the authority only of management. Since autonomous management carries positive implications for a city's performance, and since city administration should be at its best regardless of (or even, despite) political leadership, this model is reasonable and workable.

In the table below, we propose a conceptual framework to use when studying or discussing urban management. First we observe that four main forces have shaped the cities that administrators propose to manage: globalisation, decentralisation, neoliberalism and demographic changes.

These forces influence the administration of a city by creating specific effects, many of which are listed in the Table. By observing how city administrations deal with these effects, we can infer the dimensions of urban management. Categorising these dimensions inductively leads us to the context for urban management. According to the literature (presented in the table), the city administration's responses to a list of effects can be marshalled into five dimensions: city decentralisation; user participation; autonomous management; sustainable development; and city competitiveness.

We can be even more specific and search for individual tools and methods employed to realise an individual dimension. Note, however, that we only consider tools and methods that rest within the administrator's authority, such as evaluations, cost-benefit analyses, impact assessments, street-level management, etc.

Contextually all five proposed dimensions are actually manifestations of just two ideas: making the city competitive in order to attract investors and making the city liveable in order to attract and retain a highly-skilled labour force.

⁴ It should be noted that the author believes that a modern city administration should employ both NPM and urban management principles.

TABLE 1 - DIMENSIONS OF URBAN MANAGEMENT

	Effects on city administration	Dimensions of urban management	Categorisation / tools and methods of the city's administration
Globalisation	<ul style="list-style-type: none"> -competition between cities for investors (global enterprises) (Sassen, 1994) -creating environment (infrastructure, services) that attracts investors (Borja et al, 1997; Leitner and Sheppard, 1998) -new economic players in the policy-making process (Parker, 2004) -reduction of transparency and predictability of policy-making (Parker, 2004) -threat to local community (investors become more powerful than citizens in decision-making process) (Korten, 1995; Farazmand in Bevir, 2007; Hambleton, 2004) 	<ul style="list-style-type: none"> -participation (of stakeholders and shareholders) in city planning (creating attractive environment for both citizens and enterprises) (Van Asche, 1994; Stren, 1993) -following sustainable development agenda (to minimize influence of short-term needs of investors) (Mumatz and Wegelin, 2001) -autonomous role of the urban manager (for long-term strategic planning of the city development) (Hambleton, 2002) -city competitiveness strategy (Bramazza, 1996; Van Dijk, 2006) 	<ul style="list-style-type: none"> *Participation -citizens are included in the policy planning and policy making process (Beresford, 2005) -city management consults with citizens – consultation (Beresford, 2005) -citizens are asked to give comments – evaluation of services (Beresford, 2005; Bäck et al, 2005: 130; Swindell and Kelly, 2005) *Sub-decentralisation -city's territory is divided into sub-local entities (Stren, 1993; Litvak et al, 1998; Hambleton, 2004) -city management is organised at the sub-local level (Rondinelli, 1990) -sub-local entities have elected/appointed representatives (Bäck, 2003) -sub-local entities have fiscal autonomy (Bäck, 2003) -decisions made at sub-local level are binding for city government/administration (Bäck, 2003)
Decentralisation	<ul style="list-style-type: none"> -delegation of tasks and competences to the local level; greater load and responsibility of local governments (ECOTEC 2007) -greater autonomy of city governments (Hambleton, 2002) 	<ul style="list-style-type: none"> -city decentralisation (because of the size and population density) (Steinich, 2000; Bäck, 2003: 1–2; Goldfrank, 2002; Van Dijk, 2006) -implementation of New Public Management tools (for successful provision of public service) (Davidson and Nientied, 1991; McGill, 1998; Daeman and Schaap, 2000) 	<ul style="list-style-type: none"> *Role of the manager -urban manager is appointed on merits (Borja, 1996) -urban manager is competent for long term city strategy (Hill, 2005) -urban manager has more power vis-à-vis local politicians (Svara, 2003; De Long and Shleifer, 1992; Leautier, 2006; Rauch, 1998; Hambleton, 2002)
Neoliberalism	<ul style="list-style-type: none"> -need for increased efficiency of city administration -changed relationships between politicians, officers and citizens (Hambleton, 2002) -deterioration of relationship between citizens and city government (Harvey, 1989) 	<ul style="list-style-type: none"> -city decentralisation (because of the size and population density) (Steinich, 2000; Bäck, 2003: 1–2; Goldfrank, 2002; Van Dijk, 2006) -city decentralisation and user participation (to ensure high quality public services) (Mouritzen, 1989; Prud'homme, 1996) 	<ul style="list-style-type: none"> *Sustainable development -promoting activities that are environmentally friendly (Hardoy in Satterthwaite, 1992) -educating and informing consumers (Hardoy and Satterthwaite, 1992) -using cost-benefit analyses, impact assessment, etc. (OECD, 2004) - citizens and experts participating in the city's decision-making (OECD, 2004)
Demographic changes	<ul style="list-style-type: none"> -urbanisation (migration, high population density), increased demand for urban infrastructure and services (Leautier, 2006; Hill, 2005) -population heterogeneity (Van Assche, 2004) 	<ul style="list-style-type: none"> -city decentralisation (because of the size and population density) (Steinich, 2000; Bäck, 2003: 1–2; Goldfrank, 2002; Van Dijk, 2006) -population heterogeneity (greater need for feedback from users/citizens) (Hambleton, 2002) -sustainable development (to prevent environmental pollution) (Hardoy and Satterthwaite, 1992) 	<ul style="list-style-type: none"> *City competitiveness -strategy to attract (tourists, investors, new residents) (Kotler et al, 1999) -advertisement of city's strategic advantages (to tourists, investors, new residents) (Kotler et al, 1999) -preparation of yearly plan of competitiveness indicators (Alibegović and Kordej de Villa, 2008) -preparation of a plan of competitiveness strategy execution (Phillips, 1993) -periodical evaluation of competitiveness strategy (task of urban manager) (Konrad, 1996)

5. EMPIRICAL RESEARCH

Research titled “Urban management in EU cities” was conducted to establish whether the urban management concept as proposed has been implemented in city administrations. Because the project is designed to determine clearly 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 more than qualitative indicators. We have recoded urban managers’ answers according to five urban management dimensions and correlated them (individually and as an Urban Management Index) with a number of independent variables. No particular school or theoretical approach guided the study. A rather open conceptual framework was established to identify institutional responses to urban problems. The study therefore examines how (with what tools, methods and approaches) city administrations dealt with the ever-expanding consequences of urbanisation. The core of our study is an interest in urban managers’ perspective on these processes.

Three hypotheses were tested:

1. Larger cities⁵ use more elements of urban management.
2. More competitive cities⁶ apply more elements of urban management.
3. More powerful cities⁷ apply more elements of urban management.

As explained in the section of this paper on Methodology, we focused on cities in the European Union (EU). A variety of legal frameworks and other national differences influence the formal structures of municipalities. Nevertheless, we are following the findings of Mouritzen and Svava (2002) which suggest that despite national differences linked to history, religion, etc., some dynamic is at work that reflects convergences and commonalities inside a collective and professional field. Parker (2004: 120) stresses that “similar” does not mean “the same”. He points out that we should be aware of differences in politico-administrative regulations between national systems, and that these regulations sometimes differ from region to region within the same country. Therefore, Parker cautions, we should be extremely thrifty with generalisations.

Our research and conclusions reflect Parker’s warning, but based on three arguments, we will boldly try to propose some generalisations. First, research show that global forces (including, in the EU, the force

⁵ Size is measured by the number of inhabitants resident in the city.

⁶ Competitiveness and economic successfulness are measured by the Lisbon Benchmark Index (explained later in the text).

⁷ Power of the cities was measured using the City Power Index (explained later in the text).

of europeisation) have similar influences on cities throughout the world, making way for the so-called urban convergence (Reese in Kuotsai, 1998).

Second, since city administrations face similar pressures they will react in the same way. This is what we call “institutional isomorphism” (Powell and DiMaggio, 1983). Third, when we assume that urban management is a reform of city administration, much as NPM is a reform of state administrations, we can draw parallels between them. Moreover, NPM was never implemented uniformly in all countries, but was tailored to fit individual circumstances (this even jeopardised NPM’s status as a paradigm; see, e.g., Pollitt, 2001). The same local accommodations can be applied to urban management.

5.1. Methodology

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.

Cross tabs with the Urban Audit database⁸ were used to determine if cities scoring high in the Urban Management Index⁹ had any significant effect on that city’s performance (GDP per capita, competitiveness, average employment rate, etc.).

Questionnaires¹⁰ were sent to the highest-ranking civil servants in the city administration – urban managers. We selected this group to be respondents because only subjects working within the city administration could answer our questions, especially the group of questions regarding the role of an urban manager.

Only cities included in the Urban Audit database¹¹ were taken into consideration for survey. We received completed questionnaires from 58 urban managers. 15 Answers were automatically recorded by Lime Survey programme and then transferred to the SPSS database, where it was encoded to model five dimensions and two summary indexes.

This data was then merged with Urban Audit data and processed with SPSS.

⁸ The Urban Audit database (<http://www.urbanaudit.org/index.aspx>) encompasses 250 indicators, measured in cities. For additional data we have also used the Eurostat database (<http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>).

⁹ The Index was constructed from variables that were joined in dimensions and recoded so that their values were comparable.

¹⁰ Questionnaires were translated into Spanish, French, German and Italian and sent to 120 urban managers. We combined the individual questionnaires with Urban Audit data for the respondent’s city in the SPSS statistical analysis programme.

¹¹ Urban Audit representative sample of cities in Europe includes both large cities (more than 250 000 inhabitants) and medium-sized cities (minimum 50 000 and maximum 250 000 inhabitants); as a general rule, approximately 20% of the national population is covered.

5.2. Results

We have to be cautious when presenting results obtained with questionnaires and correlations with already existing databases. There are several limitations that pose a risk of unintentional generalisation, such as causality of some variables, respondents misunderstanding of questions or terms, and others (see Armstrong and Lusk, 1987; Heberlein and Baumgartner, 1978; Singer, Hippler and Schwartz, 1992 and Edvards et al, 2007).

Table 2 presents an extract of our correlations. Employing the Pearson coefficient and the Beta coefficient, we have correlated all previously-listed dimensions of urban management separately, as well as joined in the Urban Management Index. The variables in our calculations were: number of inhabitants, population density, average GDP per capita (to avoid discrepancies between countries, we used GDP per capita in relation to national average; national average was marked as 100 and the value of the GDP per capita in the city as a percentage of this average), average employment (again using the national average), the City Power Index,¹² the Lisbon benchmark¹³ and others that are not presented in this paper.

The 58 cities included in this research did not differ significantly from the whole observed population (120 cities). The largest difference was in population density. In total the most-densely populated city is Bucharest, with 40.155,17 inhabitants per km² but the study "Urban management in EU cities" reported that it was Brussels, with 6.195,93 inhabitants per km². Other variables distribute relatively similarly. Table 2 discloses certain correlations between indicators and indexes.

¹² The City Power Index takes into account different measurable indicators: a) Size – common sense and experience suggest that larger cities (and their governments) carry more weight in national political contexts than do smaller cities – even if many other factors may have a greater impact on real city power. The way administrative boundaries are drawn can come into play here, because they determine the size of the "city"; b) Structure and status – not all cities have the same governance structures and political status, even within the same country. Some may be city regions, others merely subdivisions of larger local or regional government entities; c) Spending power – the size of the budget and resources controlled by the city authority; d) Control over income – the ability to influence income levels, notably through local taxes and charges, is widely seen as a key element of local government autonomy (Urban Audit, 2004).

¹³ The Lisbon Benchmark, which represents competitiveness of the city, is built on the following variables:

- GDP per total resident population;
- Labour productivity: GDP per person employed;
- Employed residents: percentage of 15-64 year olds with jobs;
- Employment rate of older workers: percentage of 55-64 year olds who are economically active;
- Long-term unemployment of older workforce: percentage of 55-64 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 15-24;
- Youth unemployment: percentage of 15-24 year olds unemployed continuously for more than six months (Urban Audit, 2004).

TABLE 2 - CORRELATIONS BETWEEN VARIABLES (PEARSON COEFFICIENT AND BETA COEFFICIENT)

	Participation	City decentralisation	Role of the urban manager	City competitiveness	Sustainable development	UM_INDEX
No. of inhabitants	P=-0,204 (sig.=0,136) β =-0,230 (sig.=0,376)	P=0,268 (sig.=0,048) β =0,239 (sig.=0,300)	P=0,033 (sig.=0,809) β =0,035 (sig.=0,876)	P=0,155 (sig.=0,263) β =-0,089 (sig.=0,731)	P=0,343 (sig.=0,011) β =0,343 (sig.=0,182)	P=0,212 (sig.=0,124) β =0,120 (sig.=0,661)
GDP average	P=-0,270 (sig.=0,069) β =-0,043 (sig.=0,869)	P=0,110 (sig.=0,460) β =0,068 (sig.=0,767)	P=-0,255 (sig.=0,081) β =-0,463 (sig.=0,055)	P=0,153 (sig.=0,315) β =0,322 (sig.=0,223)	P=0,254 (sig.=0,092) β =0,276 (sig.=0,285)	P=-0,004 (sig.=0,981) β =0,035 (sig.=0,900)
City power index	P=-0,102 (sig.=0,501) β =-0,010 (sig.=0,964)	P=0,240 (sig.=0,104) β =0,354 (sig.=0,104)	P=-0,210 (sig.=0,153) β =-0,087 (sig.=0,690)	P=0,018 (sig.=0,908) β =0,058 (sig.=0,799)	P=-0,001 (sig.=0,997) β =-0,060 (sig.=0,790)	P=0,002 (sig.=0,991) β =0,106 (sig.=0,666)
Lisbon benchmark	P=0,267 (sig.=0,091) β =0,317 (sig.=0,159)	P=0,031 (sig.=0,844) β =-0,108 (sig.=0,612)	P=-0,002 (sig.=0,988) β =-0,175 (sig.=0,414)	P=0,091 (sig.=0,577) β =0,185 (sig.=0,402)	P=0,141 (sig.=0,386) β =0,269 (sig.=0,220)	P=0,199 (sig.=0,219) β =0,225 (sig.=0,342)

Firstly, cities with 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 is also a correlation indicated between city decentralisation and GDP per capita.

Most of the variables correlate to the decentralisation dimension (only the Lisbon benchmark shows no significant correlation). From calculating the Beta coefficient, it can be concluded that the City Power Index shows a stronger correlation to GDP per capita. In sum, over half (53,6 %) of surveyed cities are decentralised, but 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.

Secondly, when analysing the "user participation" dimension, we tested both forms of participation: political participation and user participation. We concluded that there is a very high possibility for cities to implement both types of participation; this led us to conclude that we do not have 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 encouraging, since it can lead us to conclude that citizen involvement in making decisions and providing services has a cumulative positive effect on the city's performance. Since the Lisbon benchmark is highest in Scandinavian cities, where the country traditionally has 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, we found (not surprisingly) that the number of inhabitants and participation are negatively correlated. According to Mouritzen (1989), in bigger cities there is a greater possibility for citizens to feel alienated and decline to participate in any form. What initially surprises is a negative correlation between participation and GDP per capita (Pearson coefficient is -0,270), but adding the Beta coefficient eliminates any correlation.

The third dimension, “autonomy of urban manager”, leads us to conclude that the situation in the European Union is quite the opposite from the experiences in the United States (Svara, 2003; Mouritzen and Svara, 2002). The majority of the urban managers in EU are appointed (86 %), but the remainder are elected (14 %). When comparing correlations of this dimension to independent variables, there is a grim picture. Unlike their colleagues in the United States, autonomous urban managers in the EU do not have any positive effect on their city’s performance (Pearson coefficient is -0,255; Beta coefficient is -0,463). Notably, when we excluded this autonomy dimension from the Urban Management Index, the index’s correlations did not change. This could mean that the autonomy dimension has some cumulative effect on the index itself. There is also indicated weak correlation between population density¹⁴ and the urban manager’s autonomy. And since there is an indicated correlation between population density and number of inhabitants, we can propose that larger and more densely populated cities encounter with more complex issues that are entrusted to professionals (urban managers) to deal with.

The last two dimensions, “city’s competitiveness” and “sustainable development” are understood in our case to represent qualities of city administration (management). Accordingly, we tried to measure only those activities within these dimensions that are, or can be, provided by management.

When measuring “sustainable development”, we had first to establish what management activities can assure that a city orients itself towards achieving sustainable development. Since the domain of management is not the policy-making itself, we took into consideration activities such as monitoring, assessing risks to the environment and society, advising, etc. The results were somewhat surprising, showing a negative correlation between population density and sustainable development, and between sustainable development and the average employment rate. It could be that densely-populated cities have other priorities and are not so focused on sustainable development. The fourth dimension, “city’s competitiveness”, correlates with average GDP, which means that more competitive cities are also richer.

¹⁴ We tested several other variables besides those presented in Table 2. To focus on the aim of this article, the Table presents only the more salient dimensions, although some others are mentioned in the results.

When all dimensions are joined and values are recoded into the urban management index, we can observe some cumulative effects. There is some correlation between the Urban Management Index and the number of inhabitants (Pearson coefficient is 0,212), which could lead us to the conclusion that larger cities are more likely to implement urban management reform¹⁵. Other variables do not imply any significant correlation to the Urban Management Index. We tried to inspect this in detail using multiple regression techniques. We detected a correlation between the Urban Management Index and the Lisbon benchmark, which means that the city's competitiveness and its urban management are connected.

Conceptualisation of urban management through the dimensions presented is a fluid process, meaning that the concept could be at any time refined and improved with some other dimension. The guiding principle is continually to implement good practices at a city administration level and to evaluate the results of these practices carefully. It can be said that urban management is a proposed theoretical framework capable of being tailor-fit to a city to accommodate its individual circumstances and legal framework.

6. CONCLUSION: THE NEXT STEP OF CONVERGENCE

Since the works of Rex (1967; 1968), Pahl (1970; 1975; 1979) and Williams (1976; 1978), the concept of urban management and its (re)conceptualisation has spread beyond the reach of a single discipline, as well as beyond the scope of its normative definition. The vagueness of the concept exists not only as a result of definitional ambiguities but also, as Stren (1993) notes, as a result of its use in policy papers without any explanation (especially in the UN-HABITAT organisation's Urban Management Programme). Such vagueness is related to the complicity of a number of agents and is helping to preserve the status quo. It seems as if there is no agreement in the research community on this issue except to call once again for deliberation and consensus-making on the definition of urban management. Mattingly (1994) believes that 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.

The conclusion reached in this article is that urban management is a reform of city administration and that its task is to create a much-needed balance between social and economic development. The two development fields have a fragile coexistence. In order to attract investors, we have to provide a

¹⁵ Leautier (2006) offers similar findings that the size of the city's population has an impact on some services. "For example, in more populous cities, it seems more difficult to get good access to services, such as sewerage, water, electricity, and telephones".

suitable labour force and the labour force can only be attracted with jobs and quality of life (infrastructure, housing, services, etc). A balance can be established by implementing the five dimensions of urban management: city decentralisation; user participation; autonomous management; sustainable development; and city competitiveness. These dimensions act as a fluid contextualisation of the concept, since new dimensions are always possible, depending primarily on the broader socio-economic and regulatory framework.

Based on empirical research which tested the model in 58 cities within the EU, we conclude that urban management, as proposed, already is employed commonly in the EU. The correlation between applying the model and indicators that signify a city's strong economic performance was also tested. We conclude that:

- The larger a city is, there is a greater possibility that the city administration has adopted urban management strategies and practises;
- The more successful a city is economically according to the Lisbon benchmark, there is again a greater possibility that the city administration has adopted urban management strategies and practises; and
- The City Power Index and the Urban Management Index are not correlated.

One question remains open: Is urban management, as Williams (1978) pointed out, just a framework for academic study, or can we now talk about a theory or a paradigm? A paradigm demands its own theorems, laws and generalisations (Kuhn, 1970). Urban management lacks these credentials, probably because of its interdisciplinary nature and terminological misuse.

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