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# The Challenge of Managing Cities

## Scarce Revenue, Surging Needs

by Sylvester Murray

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The definition of cities indicates that they are legal entities individually incorporated under the laws of their respective states. They have established boundaries, with elected and appointed officers, with defined and limited authority, and with taxing and regulatory powers.

Cities can sue and be sued, and they can undertake certain activities such as the sale of water, or the ownership of a stadium or Cable-TV system which are essentially proprietary in nature.

Cities can be defined as economic production units supplying goods and services for public consumption. Included among the commodities marketed by cities, for example, are police and fire protection, sewer and other utility services, parks and recreation programs, building inspections, streets and highways, street lights, and human development programs. Payment for these goods and services takes the form of taxes, service charges, special assessments, fees, and fines.

Cities are also catalysts for human interaction. Traditionally, they are collection points for people, ideas, goods, and commerce.

Cities exist separately and independently from the individuals who head them at any given time. But it is the responsibility of those interim leaders to provide real and sincere leadership. The challenge of city leaders is to manage during their two or four or ten year terms as if their management alone would make the difference between no quality and high quality in the lives of people in that city now and for scores of years to come.

It is an awesome challenge that cannot be thought met simply because the leaders do not get "citizen complaints" at City Hall. The leaders must meet this challenge by satisfying citizen complaints and taking the initiative to plan strategically for the future, then implement the plans. They must anticipate the needs of people and be willing to take some political risks in striving to meet those needs.

It is a challenge to manage effectively. A book by Joseph Pechman, (*Setting National Priorities Agenda for the 1980's*, Washington, D.C., Brookings Institution, 1979), carried the position of political scientist James Sundquist that we are in or

approaching a crisis in government. But the crisis is one of competence in government rather than a crisis in the policies that government has been pursuing. It is a truism that categorizes our national government as well as city governments across the country.

Sundquist suggests that there are deep seated trends at work, which, along with such familiar features of the political landscape as the separation of powers, will make effective government even more difficult to attain in the 1980's than before. One of the structural developments that mitigate against government effectiveness is the deterioration of administrative capability. Sundquist concludes that a crisis of competence in turn has produced a dangerous crisis of confidence in government at every level.

It is becoming increasingly important to recognize the difference between objectives and plans on the one hand and performance on the other. Many people and committees and task forces can sincerely define objectives and say what government ought to do. But things don't just happen. Good administration is needed. Capable managerial talent is more difficult to find in government than in private industry, probably because of pay scales and politics. But the challenge is still there.

People programs are what city government is about. People programs are social programs. They are more ambitious and often more complex than private industry programs. Therefore, city government managers must be skilled in both business practices and human interactions. They must be able to say no to an idealistic objective which rationally cannot be implemented. But they must be able to say and explain it in a way that does not demoralize or appear insensitive to the group that set the objective. The government manager must understand the principles of economics that must be considered in making public policy.

The challenge of managing cities can be succinctly summarized with the position taken by Charles Schultze, Professor of Economics, University of Maryland ("The Role of Incentives, Penalties, and Rewards in Attaining Effective City Policy," a paper dated October, 1974). He re-

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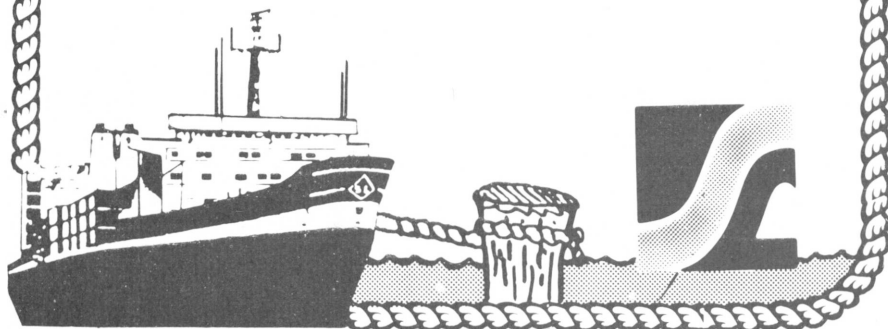
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lated that objectives, plans, and budgets are not synonymous with actions and results. Promises are not performance. The adoption of an urban development plan does not guarantee that urban investment will fit the plan. The formulation of a model city neighborhood plan will not itself produce a model neighborhood. When a particular public program must be carried out by a complex governmental structure and a host of private decision-makers, it becomes crucial that those who execute the program are capable and have incentives to act in directions which are consistent with the objectives of the program.

Cities exist. But to maintain or improve on the quality of life in cities, good management must be present.



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