

FUMIHIKO SAITO
Editor

Foundations for Local Governance

Decentralization
in Comparative Perspective



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Preface and Acknowledgements

This book is an outcome of a five-year research project at Ryukoku University, Japan. The research project is named Local Human Resources and Public Policy Development System Open Research Centre (LORC),¹ and is funded by the Ministry of Education, Culture, Sports, Science and Technology (MEXT)² and Ryukoku University. The overall purpose of LORC has been to examine ways in which participatory policy making has been attempted and to articulate possible systems for human resource development for future local regenerations within the world-wide trend towards decentralization. More specifically, the LORC has been focusing on the following areas:

1. participatory/partnership-style public policy development systems;
2. education and training systems for human resources who are to shoulder local public policy; and
3. social accreditation of policy/human resources development systems;

At the beginning of the research, it was widely acknowledged that effective public policy making would involve partnerships of diverse stakeholders between public, private, community and voluntary sectors. The research findings generated by the LORC, since its inception, have been utilized further by joint activities with domestic and overseas local governments, non-governmental organizations (NGOs), non-profit organizations (NPOs), and research institutions.

While the LORC targeted the improvement of local governance in Japan, it has been made acutely aware that such improvement needs to be informed by a wide range of international experiences encompassing both industrialized and developing countries. In fact, in some aspects, participatory development initiatives have been more numerous in Asia and Africa than in Japan. Therefore, the fourth research group within the LORC project embarked on comparative analyses of decentralization and local governance reforms in six developing countries: India (with a particular focus on Kerala State), Indonesia, Sri Lanka, Uganda, South Africa and Ghana.

¹ The project website is found at: <http://lorc.ryukoku.ac.jp/eng/index.html>.

² MEXT funding was made through an “Open Research Center” project.

While all these countries are unique in initiating “decentralization” within their respective historical and political backgrounds, it is also very interesting to compare ways in which such policy initiatives were conceptualized and have subsequently been implemented. These countries have been selected especially because the policy rationale to “bring services closer to people” originated in different socio-political backgrounds. The state-society relations in the respective post-independence periods since the second half of the 20th century present both similarities and differences. These diversities provide rich material against which these comparative analyses have been conducted. Thus it was decided that it would be theoretically informative to conduct such comparative diagnoses, while management of this magnitude of research would be very challenging.

As the readers immediately discover in reading this book, a variety of decentralization measures have recently been pursued in the world, including developing countries. Particularly since the 1990s, the decentralization reforms are intended to contribute to further democratization, to effective development, and to good governance. However, there is no automatic guarantee that these intended outcomes will be achieved just by decentralizing political and administrative institutions. This purpose of this book is to fill the missing link between policy assumptions and outcomes based on the different experiences of these six developing countries.

In 2003, identification of relevant institutions and resource persons in each targeted country started. Subsequently, the network of collaborators was gradually built. On several occasions research meetings were organized in order to share common concerns, articulate key analytical concepts, and apply them to each country’s setting. In November 2004 in the Hague, in The Netherlands, the first research meeting was organized in conjunction with the symposium jointly organized by LORC and VNG (Association of Netherlands Municipalities). In June 2005, some of the collaborators visited Japan to have a second round of discussions. In February 2007, the final meeting to discuss the manuscripts was held at Ryukoku University, Japan. (With much regret, another chapter on Sri Lanka has not been incorporated into this volume for various reasons.)

Throughout these meetings, a common consensus started to emerge. Although decentralization measures are potentially useful for attaining both political democratization and economic efficiency, what is often packaged under the umbrella of “decentralization” needs to be disaggregated analytically. Successful reforms need much more coherent approaches in which a range of stakeholders must become willing to share responsibilities and resources in order to achieve the ultimate outcome of poverty reduction in the developing countries.

One of the essential messages of this book is that decentralization per se does not necessarily lead to an improved governing arrangement between the leaders and citizens. In some cases, it may be suitable to use the instruments related to decentralization in order to redefine the roles and responsibilities of diverse stakeholders, and through such redefinition better governance might be achieved, as in the case of Uganda (roughly from 1993 to 2000). In other cases, what may be needed is not transferring tasks from the center to local governments but rather improvement of capacities of both central and local governments in order to harmonize effectively what each tier of the government provides, as suggested by the case studies of Sri Lanka and Ghana. Thus, our conclusion is that decentralization reforms are deeply entangled in the political landscapes of the respective countries and envisioning decentralization in particular, and governance reform in general, as a quick technical fix, as might be assumed by some international aid donors, tends to be counter-productive.

* * *

Throughout the process of preparing this book, a large number of people have devoted considerable efforts to its completion. No adequate words can be found to express the full gratitude for their sincere contributions to this book. First and foremost, I would like to thank Ryukoku University for its generous and abundant support and assistance. Since the inception of the LORC in 2003, my teaching duties have been reduced to enable me to carry out the research activities of LORC. In the academic year of 2006, I was on sabbatical, and this opportunity enabled me to concentrate on the LORC activities including this book. A wonderful team of LORC colleagues, especially Kiichiro Tomino, Katsutaka Shiraishi, and Kimie Tsuchiyama have been extremely supportive.

Second, all the contributors have made serious and demanding efforts writing in the middle of their busy schedules. I deeply thank this team of authors for their endeavors.

Third, some researchers and scholars also contributed to LORC meetings and discussions through presentations and comments. While they have not contributed chapters to this book, their insightful views and perceptive criticism have been very useful. I name only a few of them to express my appreciation: Charles Ehrhart (then Technical Advisor, Tanzania Participatory Poverty Assessment), Bob Evans (Northumbria University), Rainer Pitschas (German University of Administrative Sciences Speyer), Jesse C. Ribot (World Resources Institute), Stephen Syrett (Middlesex University), Norman Uphoff (Cornell University), Per Tidemand (Dege Consult), and Aili Mari Tripp (University of Wisconsin-Madison). In addi-

tion, the LORC project coincided with my participation in another research project organized by Japan International Cooperation Agency (JICA) on decentralization and governance reform in three East African countries. I have learned an inordinate amount from Michiyuki Shimoda, Yoichiro Kimata, Masao Yoshida, and Yuichi Sasaoka. (The latter two and other academicians also organized a parallel study group with the financial assistance from MEXT, from which I have also partially benefited.)

Fourth, our project LORC has been very fortunate by being assisted by a wonderful pool of post-doctoral fellows and research assistants. Again I cannot mention all of them despite their unending efforts and dedication. I especially would like to thank Takuo Iwata, Nobutaka Matoba, Ken Arai, Wakana Takai, Masako Tanaka, and Yukiyo Murata. Steve Wolfe, my colleague, continued to help me in checking the English in all manuscripts of this book, as he helped me in my previous book. His dedication has been of immense value to the book as well.

Last but surely not least, Niels Peter Thomas, Yumi Onuki, and Gabriele Keidel in Springer-Verlag have been offering us all sorts of assistance.

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Contents

Preface and Acknowledgements	V
1 Decentralization and Local Governance: Introduction and Overview	1
Fumihiko Saito	
2 Indonesia towards Decentralization and Democracy	25
Deddy T. Tikson	
3 Entangled Democracy, Decentralization and Lifeworld in Flores under Global Trends	47
Eriko Aoki	
4 Redesigning Local Governance in India: Lessons from the Kerala Experiment	75
K. N. Harilal	
5 Contrasting Experiences of Decentralization in Two States in India	93
Chihiro Saito and Rika Kato	
6 Challenges of Moving into a Devolved Polity in Sri Lanka.....	113
Asoka Gunawardena and Weligamage D. Lakshman	
7 Politics and Local Government in Uganda	137
Frederick Golooba-Mutebi	
8 Possibility of Creating a Deliberative Solution in Uganda.....	165
Fumihiko Saito	
9 Democratic Decentralization in Post-Apartheid South Africa	185
Purshottama Reddy and Brij Maharaj	

10 The Challenges of Deepening Democracy in Post-Apartheid South Africa	213
Chris Tapscott	
11 The Balance Sheet of Decentralization in Ghana.....	233
Joseph R. A. Ayee	
12 Potential and Limitation of Local Radio in Information Accessibility in Ghana	259
Kingsley Senyo Agomor and Minoru Obayashi	
13 Conclusions.....	277
Fumihiko Saito	
Contributors.....	287
Index	291

1 Decentralization and Local Governance: Introduction and Overview

Fumihiko Saito

1.1 Aim of This Book

In many parts of the world today, various forms of decentralization measures are now implemented. It is hoped that decentralized states will fulfill high expectations reflecting the demands of our time. These measures are expected to make the states both democratic and developmental. Toward democratization, decentralization intends to widen the opportunities for citizens to participate in local decision-making processes. As for economic development, the decentralized states are expected to reduce poverty by making public services more responsive to the needs of people. Decentralization, therefore, has often been regarded as a “panacea” as well as a normatively justified policy that has no room for criticism.

It may not be an exaggeration to say that both such excessive expectations and uncritical approval have made critical scrutiny of decentralization very difficult. It is only recently that a more realistic assessment is preferred based on empirical research.

While the good intention of decentralization can be appreciated, the important point is to examine whether such a noble intention can actually be realized under the harsh realities of today’s world, especially in developing countries. The crucial question is under what conditions decentralization measures can be successful both politically and economically.

This book aims to present such an empirical investigation by adopting an *actor perspective*. It will pay particular attention to how divergent stakeholders interact dynamically within the changing politico-legal structures, collaborating sometimes and competing at other times in order to address common issues in localities. This actor perspective is likely to prove more useful than the conventional legal-structural assessments, because it reveals the quality of interactions in partnerships among diverse

stakeholders.¹ Successful partnerships are likely to result in pro-poor outcomes in developing countries. This perspective is applied to case studies in six developing countries: India (specifically focusing on Kerala State); Indonesia; Sri Lanka; Uganda; South Africa; and Ghana.

1.2 The Decentralized State Idealized

The contemporary world faces serious challenges, many of which derive from ways in which we perceive a desirable society. One such challenge is how to reconfigure the role of the state in today's ever-changing political, social and economic circumstances. The ideal state is often characterized as democratic as well as developmental. The main characteristics of a democratic developmental state include: broad-based participation; growth with redistribution; pro-poor policies; and responsiveness (Robinson and White 1998). In order to achieve such an ideal state, often decentralization is considered to be most desirable. This is because local governments are in close proximity to the people and therefore they are in a more suitable position than the central government to provide the public services people desire.² This is often called the "principle of subsidiarity" (Oates 1999).

Various forms of decentralization are at present being pursued in both industrialized and developing countries. In the developed countries of the North, effective local governments are considered to be essential to regenerate localities which have been facing serious democratic and/or economic crises. In developing countries in the South, governments also struggle to (re)define the role of local governments in order for government as a whole to be democratic and developmental. In the developing countries, particularly since the 1990s, decentralization reforms have become very popular under the slogan of "good governance" often advocated by donor agencies.

Common to both developed and developing countries is the changing perception of the state. In the past, the state has been the main provider of social services. This understanding is most clearly illustrated by the notion of the welfare state. As the well-known proverb says, the state looks after the welfare of people "from the cradle to the grave" (Pierson and Castles 2000). The welfare state needs to be supported by sufficient revenues. Be-

¹ In this book, "stakeholders" and "actors" are used interchangeably, although Long (2001) asserts there is a significant difference.

² For instance, Rotberg recently stated that "Nation-state exists to provide a decentralized method of delivering political (public) goods to persons living within designated parameters (borders)" (Rotberg 2004: 2).

cause such “big state” was successful in improving the living standard of the population in the North (with varying degrees of success in different places), governments in the developing world also adopted a similar orientation after World War II. The Southern governments hoped to become the main service providers to improve the welfare of their people.

However, the notion of the welfare state no longer receives popular support either in the North or in the South today. There are numerous reasons for this change of view. First, demands from the public have increasingly diversified, and the governments can no longer meet all the demands. In the past, democratic government with the consent of the citizens was considered to represent the “public.” However, as the configurations of nations are getting more diverse and fluid, citizens’ demands are also becoming more diverse. Governments have not been able to respond to this diversification. Populations in many sections of the world have lost faith in governments as the main providers of social services. Second, demographic and economic situations do not allow sufficient financial resources to be pumped into the governments to meet the huge demands. Thus, there is a significant gap between popular demand and government supply. Accordingly, citizens feel dissatisfied with the state since they feel that their voices are unheard. The state may consider the citizens’ demands to be irrational and inconsistent. This mutual distrust has created the “crisis of democracy,” which might be typically illustrated by low voter-turnouts in elections.³ Third, the situation is further aggravated by globalization which reduces the effectiveness of the state to control the exchanges of people, goods, and services. With the increasing flow of information as well, the boundaries of nation-states become less significant, which further contributes to the diversified preferences of people concerning in what areas the state should function (Harriss et al. 2004). Fourth, alternative public service providers have emerged, which in some cases compete with, and in other cases collaborate with, the government. This complicates what “public” really means and what the role of government should be.

Faced with such a crisis, there has been an increasing tendency among policy makers to turn to decentralization as a panacea. Decentralization is often considered to be an indispensable mechanism to make the state both democratic as well as developmental. Central governments are often blamed for being too far from the realities of people. Thus, transferring various forms of authority and functions to sub-national units of government for timely adaptation to locally specific conditions is considered to be an effective solution to today’s compounded problems. By so doing, local

³ Trust is at the heart of the contemporary social capital debate (Farr 2004).

governments can utilize limited resources more effectively than central governments (World Bank 2000).

The concept of decentralization, however, needs to be demystified. Essentially, various forms of decentralization can be seen as mechanisms of adjusting the existing inter-governmental relationships. The measures serve to redefine the roles and responsibilities of the state. This is a two-dimensional challenge. The first is how to divide necessary functions between central and local governments suitably: what functions ought to be shouldered by which level of administrative structure. The second is coordination. Once an adequate division of roles is forged between the central and local governments, coordinating what roles different local governments perform becomes an essential issue for ensuring the unity of the state as a whole. Apparently there is a tension between these two dimensions. Giving autonomy to local governments means that localities can make their own decisions without significant control by the central government. On the other hand, when each local government implements different policies and the integrity of the state itself is impaired, it is normally incumbent upon the central government to remove such inconsistency. In the past, hierarchical structures, whereby the superior-level of the government exercised command and control, were the main ways of harmonizing these two aspects. Now, it is becoming more common to employ more consultative approaches to achieve coordination.⁴

1.3 Decentralized State for Poverty Reduction

In the context of developing countries, the decentralized state is considered ideal to help reduce pervasive poverty. The world today is following the Millennium Development Goals (MDGs), which was adopted by the United Nations' General Assembly in 2000. The MDGs consist of eight goals, and have created an international consensus to halve poverty by the year 2015 from the level of 1990. However, while East Asia is likely to attain the poverty reduction goal before 2015, the prospect for Africa remains grim. It will be nearly the middle of the next century when Africa attains this goal given the current trend (UNDP 2003: 2). In reviewing the

⁴ There is the issue of "tiers" of government as opposed to "spheres." The former implies a hierarchy within which each level receives instructions from above, and implements policies accordingly. The notion of sphere, in contrast, suggests more equality between different governmental units. Each can determine policy. While the notion of tiers would be vertically depicted graphically, the sphere model would be represented horizontally.

progress toward the MDGs, decentralization is again often presented as a desirable way forward (UN Millennium Project 2005).

In many developing countries, the policy of decentralization has been introduced, particularly since the 1990s, and is now widely practiced in one form or another. This is not the first time that decentralization measures have been implemented in the tropical countries. In the period of decolonization and the formation of newly established states, leaders sought to confer local governments with a certain degree of autonomy.⁵ This step was considered necessary to govern culturally, ethnically and religiously heterogeneous societies, such as those found in many countries in Asia and Africa. However, from the 1960s to the 1970s, centralized states came to be predominant to realize development both in newly independent states in Africa (including Uganda and Ghana) and in the so-called “developmental dictatorships” of Asia (as typically illustrated by Soeharto’s Indonesia). This form of dictatorship is a kind of socio-political system whereby both the state and society aim to gain material benefits of development while sacrificing political freedom (Yanagihara and Sambommatsu 1997). This was also the era when development was most suitably brought about by rational planning conducted by experts, which consolidated the position of the central government. As a result, local self-governance became marginalized.⁶

There were, however, some crucial politico-economic changes that brought decentralization again to the front stage. Politically, with the end of the Cold War toward the end of the 1980s, democratization came to be an international trend. Decentralization, particularly by enlarging citizen participation in decision making, came to be seen as a driving force towards democratization.

Economically, the structural adjustment programs (SAPs) of the 1980s stressed economic reforms in which decentralization came to be seen as an ideal means of reducing the size of the state. Decentralization transfers power from the center to localities in order to realize a smaller state.⁷ It is argued that economic activities are harnessed by markets and the states should not interfere with market mechanisms. Small states and vibrant markets are seen as a promising means to attain economic prosperity and poverty reduction.

⁵ W. Arthur Lewis already noted in the 1960s, “All that is asked is a reasonable degree of provincial decentralization” (1965: 5).

⁶ Thus, during this period, centralization was the norm both in capitalist as well as socialist countries.

⁷ Often privatization, transferring functions and responsibilities from the government to the private sector, is also considered as a form for decentralization.

While decentralization is conceived as a means for reducing poverty, the links between decentralization and pro-poor outcomes have not been fully examined theoretically or proven empirically. This may sound surprising given the fact that various forms of decentralization measures, with donor support, have been implemented in developing countries, particularly since the 1990s. Organisation for Economic Cooperation and Development (OECD) review emphasizes that donors' support must focus on the links between decentralization and pro-poor outcomes more explicitly (OECD 2004).

Decentralization can create pro-poor results in different ways.⁸ Often, decentralization measures are promoted to improve service delivery through enhanced allocative efficiency. It is asserted that local governments are closer to the people and thus they know popular preferences reasonably better than the central government. This factor results in a more suitable allocation of scarce state resources (both financial and human). While allocative efficiency is obviously important, this improvement alone does not enlarge the resource envelope itself. Such expansion can be supported by improving governance.

Often decentralization and (local) *governance* are presented as interconnected concepts. Governance is a term used by many for different meanings. A shift of key terms from government to governance reflects both a conceptual deepening of our understanding as well as unmistakable realities on the ground. While the government was the main provider of services (such as in the case of the welfare state), governance highlights the interactive processes of multi-stakeholders (including government) in order to resolve common problems. Governance can be defined as processes and outcomes of consultative interactions between different constituent members including public, private, and civil organizations in order to resolve common political, economic, and social issues (Saito 2003; Kooiman 2003: 4; Evans et al. 2005).⁹

⁸ Following Crook and Sverrison (2001), OECD/DAC review four areas of such links: pro-poor economic growth; pro-poor service delivery; income redistribution for reducing disparities within localities; redistribution of resources from wealthy to deprived areas within the country (OECD 2004: 26).

⁹ The term "governance" has been used in various contexts (Pierre 2000). In management studies, shareholders, managers, and employees all agree that, irrespective of the differences of their positions, it is desirable to improve the performance of the corporation, as the term "corporate governance" shows. In economics, the functions of various political and social institutions which underlie the implementation of economic policies came to be referred to as "governance." In public administration, the term mainly refers to the efforts of government agencies to find ways to "stir" society. In politics, it tends to mean a

One of the main reasons governance is essential for pro-poor outcomes is that the governing processes today involve more actors than before including private companies as well as non-governmental organizations (NGOs). Thus the governing processes are no longer monopolized by the government, but the relatively new entry of other entities into this process signifies that they also have become co-governors with certain roles to play and responsibilities to fulfill (Kooiman 2003; Pitschas 2006). This kind of co-governing process becomes indispensable because the government alone does not have all the answers to resolve compounded contemporary problems, especially in developing countries. Improved governance enables private companies and NGOs to provide their approaches and draw on their experience to resolve some serious issues in the South.

Changing notions from government to governance also signify that processes of governing are changing. When government remained the main provider of solutions, it tended to be a top-down process and ordinary people were treated as recipients of solutions. The government did not anticipate to receiving answers from the recipients. With governance, on the other hand, the process becomes more interactive and no one entity can dominate others. Private companies, NGOs, representatives of social movements, *inter alia*, often express their (alternative) visions to the government in the process of consultation. The processes become relatively bottom-up, and diverse actors are engaged in flexible interactions.

The governance notion almost inevitably changes the meaning of what constitutes “the public.”¹⁰ The public has conventionally been almost synonymous with the government. But with governance, entities other than government offices participate in discussing and implementing solutions to resolve issues which affect different constituent members whether they belong to government, private or civil spheres. These new participants are now co-managers of essential services and co-producers of solutions (Kooiman 2003; Pitschas 2006). In some instances, service-users also partake in governance. With the end of monopoly by government of governing processes, “public” is no longer equal to government. The new “publicness” is shared by multiple stakeholders in governance. Put differently, governance

predictable normative framework for actions which creates a certain rule in chaotic society. However diverse the use of the term may be, it can also be seen that “governance” has a certain shared connotation.

¹⁰ While “public” and “private” are now used in a dichotomous way, especially in the West, this reflects modernization. Although the dichotomy helps to articulate different roles and responsibilities of each sphere, the blind application of such dichotomy is dangerous and inappropriate (Tripp 2005).

is an arrangement to realize collective action to resolve common concerns (Olowu and Wunsch 2004: 1).¹¹

What is particularly important in the change of the relations among such diverse actors is *partnership*. The actors have long formed various networks, having been tied to each other in a multi-dimensional fashion over various issues. These networks differ according to policy issues, and it is not uncommon to observe that while some actors go hand in hand on one issue, the same actors diverge on other issues. The collaborative relations towards shared goals are normally called partnerships. Partnerships can be defined as ties that can ensure both autonomy and synergy (Brinkerhoff 2002). Individuals or organizations come into partnerships which do not impair their autonomy. Partnerships also enable various synergistic effects, including mutual learning that cannot be obtained independently. This is because through partnerships the actors gain access to new knowledge, technology and resources.

1.4 Review of the Past Literature

There is considerable literature on decentralization. However, most of this writing has addressed structural aspects, and little attention has been paid to the political, economic and social dynamics within which stakeholders interact in manipulating reforms for their own benefit at times, while producing common good at other times. Quite a large volume of country-specific articles are published in academic journals, but few attempts have been made to synthesize them into generalized principles. In addition, there has been an obvious tendency in which economists, for instance, pay attention to economic and financial aspects of decentralization (Smoke and Kim 2002), while political scientists emphasize how political autonomy through popular elections is enhanced through decentralization (Rudebeck et al. 1998; Whitehead 2002; Harriss et al. 2004). Although this kind of single-dimensional analysis is needed to a certain extent, it does not capture the complex changes associated with decentralization measures, which usually cover political, economic/financial, administrative, social and even cultural aspects.¹²

¹¹ At each level (from national to village) it is possible to envision “communities,” which are based on shared identities. With the change of what public signifies, there is also a need to reinvestigate how different members share common identities.

¹² Politically, local elections and autonomy are essential; financial decentralization is indispensable to support political autonomy; administratively redesigning the

If decentralized states are to be deemed ideal for democratic development, sufficient attention needs to be paid to tensions between a desire for democracy and a goal of economic efficiency. Even if both democracy and economic efficiency may be normatively associated with decentralization, attaining both aspects tends to be difficult in practice. Limiting our attention to technical solutions without due regard for broader socio-political factors is likely to be inadequate.

First, in order to respond to democratic crises, consultative processes are deemed essential because through discussions among various stakeholders, it becomes more obvious what the common issues are and what efficient and effective solutions would be possible in particular situations with limited resources and constraints. This process often constitutes *deliberative democracy* (Chambers 2003). For this purpose, local governments can play a bigger role than before. Granting more autonomy to them to become more effective facilitators is considered promising. Once local government officials can be reasonably free from tight bureaucratic control from the central government, they can have more flexibility in consultation and negotiation in locally specific conditions. Accordingly, the devised policies are likely to be more responsive to societal needs, and responsiveness is an essential element of democracy (Dahl 1971). If the deliberation processes generate new information and support collective action,¹³ it becomes more likely that people will consider such kind of democratic engagement more legitimate. The mutual distrust between government and the governed is likely to be reduced.¹⁴

Second, governments around the world are now under pressure to improve economic efficiency. It has been argued by the advocates of *New Public Management (NPM)* recently that applying management tools practiced in the private sector to governments is one promising avenue to pursue. This shift from administration to management reflects a larger redirection in economics and management studies; it is hoped that state-led

central-local relations is a key task; collective action may challenge social norms; and culturally, accountability may be a new and even unfamiliar notion for certain people.

¹³ Simply put, collective action problems occur whenever individual pursuit of “rational” decisions leads to undesirable outcomes for society. A so-called “free-rider” problem in providing public goods is an often-cited example. In order to resolve this issue, some sort of sanctions is required, which is often backed up by the state (Gillison 2004).

¹⁴ Apparently, there are many other factors which affect fostering trust between citizens and their governments, including, *inter alia*, historical experiences of social policies and electoral systems. Nonetheless, trust is indispensable to construct effective governance.

failures in economic policies can be rectified by market-driven mechanisms. The rise of neo-liberalism tends to reinforce the position of NPM. While the rationale for economic efficiency needs due attention, especially at times when government revenues are limited, there is a tension between efficiency required in service-delivery, and impartiality and fairness in applying the law (Peters and Pierre 2003). Although this possible contradiction needs much more careful scrutiny, the current global situation nonetheless supports neo-liberalism. Decentralized, small and efficient states are often considered to be compatible with neo-liberalism.

Acknowledging that decentralization serves to make the state more democratic as well as developmental, there have been some efforts in the voluminous literature to conduct comparative analyses to synthesize the findings of different countries where various reforms in decentralization and local governance have been undertaken. The most notable pioneering publication, perhaps, is by Crook and Manor (1998), which is based on two Asian and two African nations. More recently, there have been some regionally focused syntheses. For those who focus on Asia, Turner (1999) and World Bank (2005) are noteworthy. Latin America has also been studied by Grindle (2000), Campbell (2003) and Campbell and Fuhr (2004). For Africa, Olowu and Wunsch (2004) have addressed governance issues in seven Sub-Sahara African countries. In addition, Philip Oxhorn et al. (2004) also recently published their comparative analysis linking decentralization, democratic governance, and civil society in six countries in Africa, Asia, and Latin America.

Although there has been a general improvement in understanding decentralization and governance in recent literature, the problem remains of synthesis making. For instance, Olowu and Wunsch (2004) conclude that for decentralization reforms to be successful they have to be supported by 1) effective local authority and autonomy; 2) sufficient resources for localities; 3) effective institutions of collective action; and 4) open and accountable local political processes (in chapter 10). While these factors are clearly important, they are often in conflict with each other in reality. Also, securing one factor does not automatically lead to gaining the next. In short, the sequence that they present, in which realizing one leads to the next step (p.6), is too static to be helpful for analytical or practical purposes.

The Oxhorn et al. study approaches decentralization as multi-dimensional processes and emphasizes fundamental ambiguities inherent in such processes. Its orientation is much appreciated. The study then concludes that decentralization in itself does not improve democratic governance. The study asserts that democratic effects are shaped by 1) motivations of decentralization, 2) historical patterns of state-society relations,

and 3) institutional arrangements. Even if these elements are important to be noted, the study provides little new insight into how such ambiguities might be reduced by these three influential factors of decentralization in the complex processes of reform.

Similar criticisms can be leveled at a very recent study by Bardhan and Mookherjee (2006). They adopt a political-economy approach to study decentralization by emphasizing the aspects of design, context, and impact. Then, based on the analysis of eight developing countries, they devise two broad categories of decentralization reforms. The first one is what they call a singular transition from centralized to decentralized governance, and the second is an alternating between more and less centralized governance. They conclude with an hypothesis which states that comprehensive political as well as economic devolution is more likely to succeed than limited and/or partial politico-administrative devolution. Again, this study is useful in presenting many different aspects, but it is not entirely clear why a more comprehensive approach should be favored over other approaches.

As this brief analysis makes evident, studies in decentralization reforms encompass a wide range of inter-related issues. While the general understanding of the complexities of the reforms is appreciated, the literature still needs significant improvement in presenting a coherent perspective. It is, therefore, the context in which this study originates.

1.5 Actor Perspective as Research Methodology

In contrast to these relatively recent studies, this book intends to adopt an *actor perspective*, which sheds light on how the complex processes of changes in political, financial and other rules introduced under the umbrella of decentralization are perceived by a diversity of stakeholders. Under certain circumstances, actors examine problems and issues based on their knowledge and capacity, and act accordingly. Therefore, actors are individuals, private companies, local governments, NGOs, and international aid agencies, which often support governance reform in developing countries. Actors may also refer to loose associations of the representatives of social movements.¹⁵ Their actions affect their subsequent actions as well as those of others. Such effects are realized not only by the results of rela-

¹⁵ Broadly, social movements reflect a set of views concerning problematized socio-political orders and thereby express preferences in order to rectify specific issues that may not be resolved within the order. Social movements are not formal organizations, and thus several elements are considered necessary for successful management (Crossley 2002).

tively objective actions but also by the ways in which specific problems or issues are perceived (Long 2001).

Restructuring central-local government relations affects the ways in which stakeholders negotiate with each other for new opportunities, and at other times for their organizational interests. Decentralization usually increases the autonomy of sub-national governments, and the autonomy itself sometimes becomes a target of contest between central-local governments and on other occasions between government offices and private organizations. The decentralization process is the terrain on which the stakeholders exercise influence and are also affected by others. Within the dynamic interactions, the actors attempt to manipulate the rules. Thus, the changes introduced by formal (legal) and/or informal (socio-behavioral) means are usually not stakeholder-neutral to those involved in the process. This is especially important in developing countries because the state is never perceived as an organic, fixed, and unchallengeable entity (Saito 2003: 11).

In this kind of interaction, particular attention is paid to how stakeholders form strategic partnerships to address common concerns. Partnerships are a form of collective action that requires the coordinated efforts of more than two actors for the purpose of improving their various conditions. Given the changing situations faced by the contemporary state, governments alone cannot provide all the answers. Thus, some sort of collaboration between governments and other entities are essential. In order for the collaboration to be realized, attitudinal changes need to be induced, otherwise one party (conventionally the governments) may dominate others (such as representatives of social movements, NGOs, etc.).

Under the right conditions, partnerships generate outcomes which are more than the sum of the individual outputs. They can also lower transaction costs by bringing resources together for more efficient management. They are also likely to facilitate mutual learning by exchanging experiences and skills of the different partners (Brinkerhoff 2002; Saito 2003: 8-9).

For the theorists of deliberative democracy, this kind of interactive and consultative processes generates much desired democratic values. As the partners engage in dialogues with the spirit of public-mindedness, such processes foster mutual respect. The interactions can enhance the quality of decisions based on broadly-informed discussions. The entire process of consultation enhances the legitimacy of decisions (Chambers 2003: 316).¹⁶

¹⁶ Deliberative democracy emphasizes communicative processes of opinion formation rather than stressing the face value of voting as a suitable mechanism of aggregating different preferences of populations (Chambers 2003: 308).

The interactive processes also improve accountability since participants share information through dialogues.¹⁷

The process-centered view of deliberative democracy makes one important bridge to NPM. Given the diversified requirements of populations, it is becoming more difficult to apply standardized services throughout the territory under the jurisdiction of any one authority. Such services tend not to be appreciated by all. Aggregating competing requests adequately is still a difficult task. The governments are in a difficult position to exercise authority on behalf of the public, whose interests are coming to be increasingly difficult to be defined. Although NPM primarily focuses on efficiency, it also pays attention to what customers appreciate as NPM originates from private management practices. This appreciation injects a new perspective to conventional public administration which has been centered on such notions as fairness and impartiality. When it is no longer obvious what the public is, then engaging in dialogues with service users becomes one way to gauge customer-satisfaction. Here, consultative processes are valued not for the sake of generating democratic values but rather for the sake of delivering what users appreciate. The result is more likely to generate “better value for money,” which is what the efficiency argument targets. Thus, some aspects of NPM practices are in parallel with deliberative democratic theory in emphasizing the processes of preference-formation.¹⁸

In these processes, the role of local government needs to be redefined. With newly granted autonomy, the local governments increase flexibility, freedom of policy making, and service delivery. At the same time, local governments cannot resolve all the problems of localities by themselves, and engage in partnerships. The local governments, therefore, are in a crucial position to redefine their role in promoting democracy by emphasizing deliberative processes as well as improving economic efficiency as advocated by the NPM supporters.

The local governments, under these circumstances, need to exercise leadership, but this represents a new kind of leadership. It might be appropriate to term this *facilitative leadership*.¹⁹ The local governments must transform themselves into facilitators in the interactive processes of partnership formation. They must not impose their views on others, but they

¹⁷ As Whitehead points out, accountability is related to the issues of what liberties are to be protected and in what way (2002).

¹⁸ Lynn (2003) elaborates the role of public offices by contrasting the notions of administration with that of management in the contemporary debate.

¹⁹ It is important to devise more appropriate ways in which human resources are trained to provide this kind of new leadership.

have to listen to the opinions of other stakeholders. Here, the facilitators need to have good communication skills, open-mindedness, a broad perspective to redefine public interests, courage to experiment with new initiatives, and the capacity to manage new projects with diversified partners.²⁰

Partnership formation can be conceptualized in terms of processes and results. The interactive processes are consultative, and the processes generate learning opportunities. These kinds of processes encompass trial and error, and it is important to learn from mistakes (Uphoff 1992). It is critical for participants to exercise “agency.” Agency here refers to a capability and knowledgeability of actors with actions and reflections upon them. Actions influence how oneself and others perceive situations. This in turn affects the concrete behavior of stakeholders (Long 2001). It is essential for all stakeholders to exercise such agency. Here, the problem is that the socially disadvantaged, including women, ethnic minorities, the youth and the elderly, and people with disabilities, are usually not able to do so. Some of the reasons derive from social exclusion. Thus, empowering the disadvantaged is essential for the interactive processes to be more democratic as well as developmental.

Such outcomes are accordingly anticipated to be more congruent to aspirations of populations. This better fit between peoples’ desire and government services can contribute to political legitimacy and economic efficiency. Moreover, such results can in turn contribute to creating sustainable communities, which “meet the diverse needs of existing and future residents, their children and other users, contribute to a high quality of life and provide opportunity and choice.” Sustainability here includes the efficient use of natural resources, promotion of social cohesion, and economic prosperity (UK, ODPM 2004: 7).

However, a word of caution is warranted. Processes of alignment and bargaining can sometimes be harmonious, but at other times might create disputes and tensions. Success needs certain conditions. First, information must be readily and widely shared by the partners. The key to a successful partnership is the participants’ clear understanding of the shared and commonly valued strategic goal, and the ways in which they must share and carry out roles and responsibilities towards its realization. Second, motivation for forming partnerships must be reasonably compatible. Usually government officials and private business people have different value systems

²⁰ The kind of qualification required for new type of leaders is well presented in Egan Review of England (UK ODPM 2004; Syrett 2006). The term “facilitative leadership” emerged during the discussion of Researchers’ Symposium of ICLEI World Congress, Cape Town, February 2006.

and behavior. Thus, understanding different motivations and overcoming the different orientations for commonly shared strategic objectives is essential. If incentives for participating partners are congruent, the chances are more likely for such partnerships to succeed. Third, when all actors can secure their own financial and other essential resources, the possibility of autonomous policy making and implementation will be particularly increased. Fourth, the dialogues do not always lead to an agreement of views. In such cases, opposing views need to be accommodated, and any stalemate of disagreement must be resolved. This kind of conflict management is no trivial task in localities (Ryfe 2005).

The probability of successful partnership formation is also affected by the broader policies of (central) government.²¹ Usually it is more promising if government policy supports partnership by setting clear policy guidelines and frameworks. Such guides help stakeholders establish objectives clearly and agree on a common agenda, and articulate actions to be coordinated. If agreed objectives are stipulated in written documents, they help partners to clarify what each needs to perform. It would be ideal if funds were provided from central to local governments which could be used for collective action. In addition, it would be helpful if the government can disseminate relevant information to be widely and timely shared by local governments and other actors in different localities.²²

The entire framework is sketched in Figure 1.1 to illustrate the complicated changes associated with decentralization measures. It is our conviction that this perspective allows us to take an interpretive approach (Hajer and Wagenaar 2003). Since processes of complex social change are often qualitative, interpretive analysis is suited for our purpose (Whitehead 2002). By so doing, we strive to obtain a more accurate understanding of what is taking place in the transition induced by decentralization reforms.²³

²¹ The experience of England since the end of World War II is illuminating. Especially during the Blair administration, policy has gradually evolved to encourage such instruments as local compact and local strategic partnerships (LSPs). See the website of the Office of the Deputy Prime Minister for substantial information (<http://www.odpm.gov.uk/>).

²² This exchange of information may increase social capital bridging different localities.

²³ This interpretive approach is more suitable than applying the usual classifications of deconcentration, delegation and devolution. While this typology is often used, in reality it makes little sense. For instance, it is not unusual to observe the situation in which politically a significant degree of autonomy is granted to local authorities (devolution), while at the same time, the local authorities depend on the central government for inter-governmental fiscal transfer (re-centralization). The typical classification is inadequate to depict the total situation accurately.

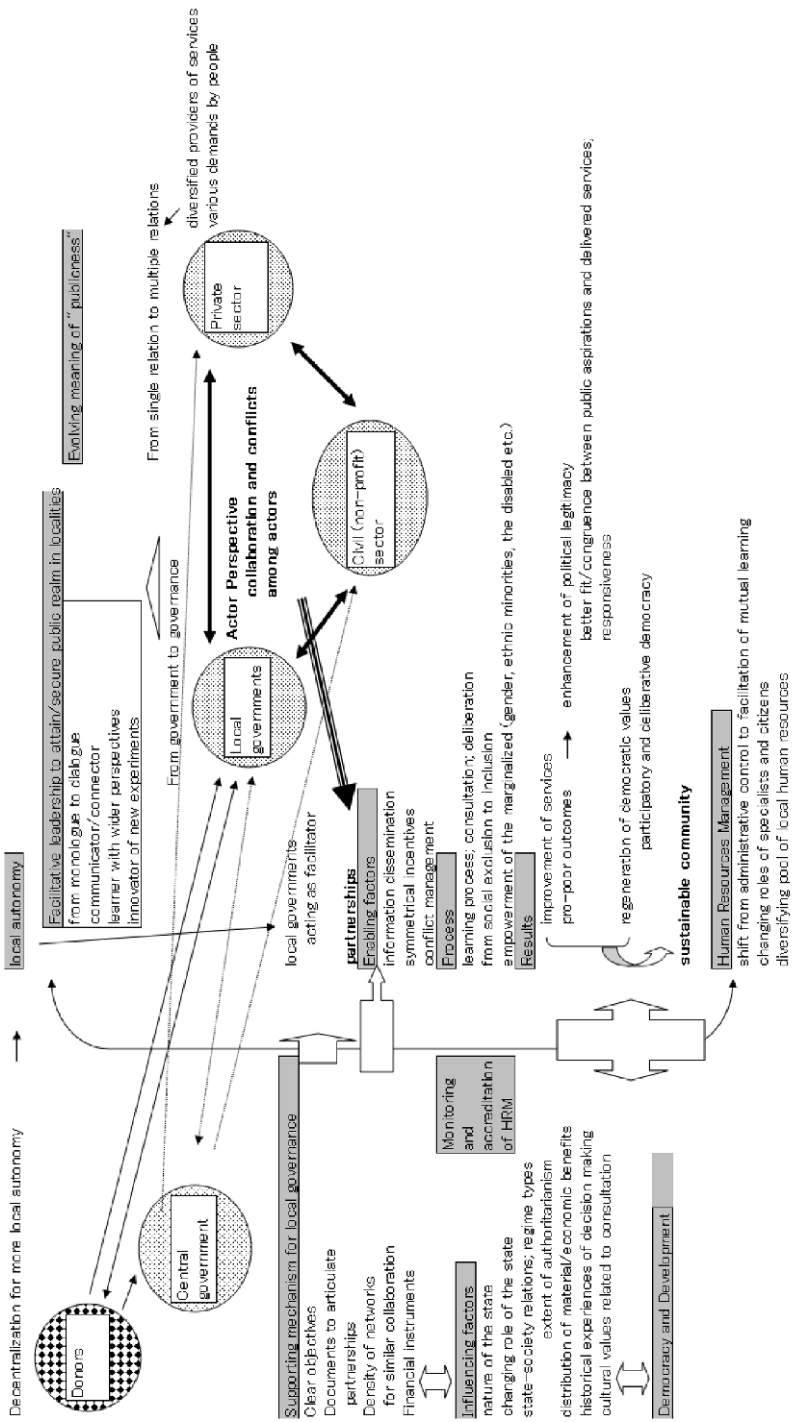


Fig. 1.1 Schematic Presentation of a conceptual framework of Decentralization, Governance and Human Resources Management

Applying the actor perspective in six selected countries for our study is a challenging task. Even though the nature of the ideal state can broadly be understood in all countries, how this ideal can become closer to reality apparently varies from one place to another. In addition, history of political and administrative development since the end of World War II differs from country to country.

However, as this volume demonstrates, there are common issues faced by all countries. Examining such a common agenda in comparative perspective is essential both to deepen our understanding academically and to improve practices of decentralization measures in reality. The common issues include: In what ways can the role of the state be identified? How can the new notion of “publicness” be shaped? Does this publicness assist government offices, private companies, NGOs, and representatives of civic organizations to form strategic partnerships? What room to maneuver exists between different actors to reach common goals to orchestrate collective action? These are some of the essential issues that this volume targets.

An explanation is needed about the term “local government.”²⁴ Different countries adopt different legislation by which a certain tier/sphere of the government is designated as local government. Usually there is a hierarchy of government ranging from those relatively close to national government to those located very close to the grassroots. In this book, the term sub-national government encompasses all governments other than the central government. Among those, some are called “local governments” while others may be called regional governments depending on the country. Since this book is to pay due attention to comparative analyses of dynamic relations between different levels of government as well as to the relations between the central and sub-national governments, a very broadly defined term of sub-national governments is often used. This usage allows us to compare the different interactive relations between different units of the governments in the targeted countries. Accordingly, there may be a discrepancy between this broad usage and the precise legal definition in each country. In such cases, efforts are made to clarify the differences.

On the other hand, this study has its own limitations. While the contributors in this volume shall demonstrate that the actor perspective is indeed very useful, it is fair to say that this perspective alone cannot sufficiently examine all issues related to such a complex policy as decentralization encompassing political, economic and administrative aspects. The target for our analysis might indeed be too huge for any one perspective to handle satisfactorily. The origin and rationale of decentrali-

²⁴ What is “local” largely depends on how people perceive important common interests for which some kind of collective solution may be sought.

zation reforms in the six case study countries are different, and thus ways in which specific implementation measures are presented to diverse stakeholders differ from one place to another. Thus, the case studies in this volume demonstrate ways by which real examples of decentralization policies in Asia and Africa can be “interpreted” by the actor perspective. The authors believe such “interpretive” orientation is insightful since the changes of politico-administrative rules of dividing essential tasks between central and local governments affects not only different tiers of the government but also others who potentially and/or actually engage with the government. Because the dynamic relations of stakeholders are fluid and ever-changing, such relations are “interpreted” rather than “discovered” as if they were objective “solid things” observable in a science laboratory. Looking at this from different perspectives and backgrounds, this sort of interpretive analysis may not be entirely convincing. In short, strengths of one approach can also be weaknesses, depending on how such an approach is applied to practical examples. Nonetheless, as we proceed, the necessity of the actor perspective will be made abundantly clear throughout the volume.

1.6 Main Arguments and Chapter Summaries

This volume examines six countries. Except for Sri Lanka, each country is examined by two chapters: the first chapter describes the historical background and evolution of decentralization measures, and points out key issues and elements for analyses. This kind of introductory chapter is followed by a theme chapter. Depending on the country, different issues are selected for further discussion.

In Chapter 2, Deddy T. Tickson presents a succinct explanatory chapter on Indonesia. Indonesia is a multi-ethnic country with vast territories to govern. Under the Soeharto regime that lasted for 32 years, Indonesia was a highly centralized state, placing emphasis more on integration than local autonomy. When this long-lasting government ended in 1989, an important transition began which is often described as democratization. The Local Government Acts No. 22 and No. 25 were introduced in 1999 and laid the foundation for decentralization. These legislations were followed by further revisions in 2004, which formally gave greater autonomy to local government. Tikson argues that while the decentralization measures since 1999 have been largely successful politically, in broadening people's participation in politics through local elections, this needs to be supported further by more thoroughgoing financial and administrative decentralization.

Chapter 3 by Eriko Aoki, an anthropologist, is a unique contribution to this book. Based on her long-time fieldwork on Flores Island, Indonesia, she argues that the policies of democratic reforms need to be re-considered from the viewpoint of the island inhabitants themselves. She introduces the notion of lifeworld for this purpose. Flores, located far from Java and economically poor, remained marginal under the centralized rule of the Soeharto regime. Ironically, the recent decentralization policy has changed its relations with the central government significantly. While the local elites attempt to maneuver in order to increase their influence in local politics, the ordinary people came under the influence of these maneuvers if not under the direct control of the central government in Java. This kind of change is much more subtle and complex than what the official rhetoric assumes as a “reform.”

Chapter 4 and 5 examines India, with a particular focus on Kerala, the state located at the southern end. While the Constitutional Amendments were introduced in 1993 on a nation-wide scale, each state government was asked to design its own plan to strengthen local government for participatory and democratic governance. Kerala tends to be significantly different from the rest of India. Even if it does not stand out in economic indicators such as income, social achievement such as in education and health are outperforming other states in India. Thus it is often called the Kerala mode. K. N. Harilal in Chapter 4 discusses how the Kerala experiment was an attempt to augment the space for “public action” by establishing a decentralized, participatory system of planning. He shows that the scope for such action has been significantly increased by decentralized planning that produced favorable effects on ordinary people. The Chapter, however, also underlines the need to improve the architecture of decentralization, especially in respect to (re)distribution of power, responsibilities, and resources across different tiers of government. Indeed, democracy as well as efficiency of governance require the coexistence of participatory and representative structures of democracy on the one hand and centralized and decentralized structures of governance on the other.

In Chapter 5, Chihiro Saito and Rika Kato compare Karnataka with Kerala. While both states introduced decentralization measures relatively early following the 1993 Amendments, the results in these two neighboring states show remarkable differences. They argue that the fundamental difference between these states is the ways in which civil society is organized. While in Kerala a series of social movements created a positive legacy in fostering a sense of the civic sphere being independent from government and markets even before the formal introduction of decentralization, in Karnataka the state and local governments retained a more conventional command and control approach and accordingly auton-

omy of civil society was not encouraged. Perhaps a deeper cause of differentiation lies with different degrees of literacy, which significantly affects the consciousness of people about public issues.

Chapter 6 by Asoka Gunawardena and Weligamage D. Lakshman focuses on Sri Lanka. The 1987 Constitution devolved power to provincial councils. This shift to devolved modes of governance was entirely a response to the ethnic conflict which was becoming a serious problem, especially since the 1980s, not to imperatives of development. The shift to devolution thus took place within the framework of centralized decision-making structures and processes. This chapter examines Sri Lanka's experience in implementing a program of devolution and the contradictions arising in the resulting duality of governance structures. As a result, there is a widespread perception today that the provincial council system has failed to achieve regionally balanced development in the country.

Chapters 7 and 8 examine Uganda, which is often described as one of the most ambitious examples of decentralization in Africa. Frederick Golooba-Mutebi in Chapter 7 describes political change in Uganda and its impact on local government and the quality of governance and public administration under successive regimes. It starts with the country's evolution from the time of independence when it boasted a decentralized local government system and generally bright prospects, through its experience with political instability punctuated by violence and civil war. It then moves on to trace economic and administrative decline, followed by its turn-around by a government with reformist instincts which has instituted extensive and successful local government reforms. It shows the intimate relationship in Uganda between the nature of politics at the center and the degree of decentralization regimes in power have been prepared to allow, and in doing so raises questions about the durability of positive change given the increasingly neo-patrimonial character of the state.

Fumihiko Saito, in the following chapter, takes up this issue. Comparing his earlier study (published in 2003) conducted in 2000 and his 2006 revisit, this chapter shows that the degree of popular support for decentralization and popular participation in public meetings has not changed significantly, although a certain caution is needed to interpret the data. This continued popular support is largely because of improvement of local public services, supported by increased financial and human resources allocated to local governments. Yet, the improvement of services is not uniform. While people appreciate improved education and health, agricultural extension services are seen as having deteriorated recently. The chapter also suggests that the improvements in social services reflect the populist tendency of the regime in power, and as Golooba-Mutebi argues in the

previous chapter, the future of often praised decentralization in Uganda may not be as promising as it might appear.

Chapters 9 and 10 focus on South Africa, which has undergone a process of fundamental political, economic and social restructuring in the last decade since the end of apartheid in 1994. Purshottama Reddy and Brij Maharaj argue in Chapter 9 that democratic decentralization and a renewed role of local government have been an integral part of the new local agenda. A key consideration is to ensure financial viability and sustainability of the new system. In addition, there are major challenges that have to be addressed in relation to formalizing and entrenching the notion of decentralization: capacity development; unfunded mandates; institutionally and financially weak provinces; and a highly regulated local participation for ordinary people.

In Chapter 10, Chris Tapscott addresses more specifically the issue of participation. Whilst South Africa has moved beyond political rhetoric in its efforts to decentralize administrative responsibilities to the local level, a substantial proportion of the population remains poor, marginalized and unable to participate meaningfully in political and administrative processes that affect their welfare. This chapter illustrates the fact that while decentralizing administrative responsibility and resources is necessary to bring democracy closer to the people, there is no guarantee that local governments themselves will be able to meet the challenge of effective governance, in the short run at least. It also suggests that in pursuing a course of decentralization, necessary as it is to the deepening of democracy, national governments need to take cognizance of the different capacities of local governments, and need to adjust their policies accordingly.

Chapters 11 and 12 concentrate on Ghana in West Africa and offer various policy analyses. Joseph R. A. Ayee in Chapter 11 introduces Ghana as having a long history in local governance and decentralization. The 1988 reforms, combined with the 1992 Constitution and subsequent legislation, especially the 1993 Local Government Act (Act 462) have firmly established the role of district assemblies in the Ghanaian polity. In spite of modest progress, however, there are some challenges. Progress in the areas of administrative and fiscal decentralization has not been encouraging in spite of the implementation of the National Decentralization Action Plan (NDAP) in 2003. More commitment is, therefore, needed from the government to ensure that resources are available to the district assemblies to strengthen and expand local democracy and promote local social and economic development, thereby reducing poverty and increasing the choices of the people.

In Chapter 12, Kingsley Senyo Agomor and Minoru Obayashi focus on the role of information in the process of decentralization. While decentrali-

zation is often practiced as it presumably promotes democracy, there has been a relative neglect among scholars and analysts in examining the role of the media. Even though the rural poor often listen to radio programs, most of the stations do not operate in local languages. In examining one such rare example of a radio station broadcasted in a local language in a coastal area of Ghana, the authors find that the operation of the radio station is commercially driven and does not have much incentive to broadcast public information. In addition, district assemblies have not paid attention to the role of media in disseminating relevant information. Thus, people are not well informed of the policies and activities of the district assemblies. The authors conclude, therefore, that certain remedial measures need to be taken urgently, otherwise ordinary people will not consider local governments to be relevant to their everyday lives.

The final chapter draws general conclusions based on the case study materials. It briefly discusses the usefulness and limitations of the actor perspective, parallels between some countries, and the implications for both academic research and policy practice.

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2 Indonesia towards Decentralization and Democracy

Deddy T. Tikson

2.1 Introduction

Indonesia is the largest South East Asian Country, which gained independence from Japanese colonial rule on 17 August 1945, after more than 300 years of Dutch colonialism. Total independence was obtained in December 1949, after the war against the Netherlands, who tried to regain its colonial power. This ethnic Malayan dominated country covers of an area of 1,919,440 sq. km, which is composed of 1,826,440 sq. km of land and 93,000 sq. km of water. According to the Central Bureau of Statistics, the estimated total population in 2006 was 245.453 million with a 1.41% growth rate. It is bounded by Singapore and Malaysia to the north and Australia to the South, and composed of 17,508 islands, 6,000 of which are uninhabited. Administratively, Indonesia is divided into 34 provinces and 410 “regencies” (*kabupaten*), which are comparable to municipalities. The term “regency” is adopted from the Dutch colonial rule, when the local leaders were appointed by the Monarch as “regents.” In addition, 98 cities (*kota*) represent the urban areas, which are the governmental status comparable to *kabupaten*. The capital Jakarta is regarded as a special city/province within the governmental system, headed by a Governor and composed of five *kota*, each headed by a mayor. The province of Yogyakarta (in central Java) and Aceh (in far north Sumatra) are regarded as special provinces as a cultural and religious arrangement. It reflects the complex socio-cultural composition of the society, associated with the colonial past and adherence to Islam. The provincial head of Yogyakarta is a sultan, who holds the status of regular governor as in other provinces. In this chapter, local government refers to “regency” or *kabupaten* level of government within the provincial one.

East Timor became a part of Indonesian history because of its annexation in 1978 and obtained independence in 2002 following the fall of the Soeharto government. Until 1975, East Timor was a Portugal's colony, its sole remaining possession in Asia, which unilaterally declared independence following the revolution that took place in Portugal a year earlier. In contrast to Indonesia, it is Portuguese-speaking and Catholic dominated.

2.2 National Government and Regime Type

The post Independence Indonesian government inherited the centralized Dutch and Japanese colonial government. This was the typical government of every newly independent country. During the colonial period, all policies related to public interests were determined in a top-down manner, and were particularly dominated by the officials in the Netherlands Ministry of Domestic Affairs in Jakarta and Bogor. The regional colonies only received orders and commands from the central government. The sub-national government only followed policies and programs determined by the central government. The local (provincial and regency) government never had the opportunity to maintain their own interests. The local administrations under the regencies were actually provided for the locals (*pangreh praja*), but they merely remained under the control of the Dutch.

In 1901, the Dutch colonial government adopted ethics-oriented politics; a policy that was expected to boost the socio-economic life of the local people and to respond to some insistence to hand over power, especially at the regency level. In implementing this policy, the Dutch developed the system of decentralization in 1903 by establishing municipal administrations that could manage their own affairs. At that time, *Gemeente Batavia* (1905) and *Gemeente Surabaya* (1906) were established as municipal administrations, followed subsequently by larger cities outside Java. However, this system of decentralization was really "by the Europeans, for the Europeans" since it mostly involved the Dutch, whereas areas located in the periphery of cities and led by local citizens were still under the control of the central government (Jaya and Dick 2001).

In 1922, the Dutch colonial government applied the decentralization system to larger areas. Provinces inside Java were given greater authority to run their own governments, starting from West Java (1926), followed by East Java (1929) and Central Java (1930). A degree of authority was also transferred to regencies within the three provinces. However, the transfer of authority was not meant for the local governments to obtain power, but rather for blocking the rebellious movements which began to use force and

had found better strategies in fighting against the Dutch. Outside Java, the administration reforms that took place in the 1930s were actually made to accommodate the existence of traditional laws. One point that needs to be taken notice of is that the system of decentralization which was adopted by the Dutch hardly brought any significant changes for the people's benefit since strategic natural resources like plantations, forests and mining were still under the control of colonialism. The people's economy (subsistence) was not managed properly, poverty was maintained and the people did not have access to natural resources. In addition, political participation scarcely occurred due generally to the local power structure which became monolithic. Therefore, crucial decisions concerning public interests were made entirely by the elite.

The occupation by Japan (1942-1945) abolished the decentralization system initiated by the Dutch in the 1900s, and replaced it with an extremely centralized governmental system. The Japanese did give local people the opportunity to take part in the local governments, but they were merely used as agents for the central government. Provinces and regencies did not make important decisions in the area of public interest. Accordingly, they did not have a sufficient bargaining position. Following the Japanese occupation, the economic system and performance declined significantly. The natural resources were largely exploited by the Japanese, mainly due to the fact that they wished to become the ruler of Asia. But Japan actually formed social organizations at the village level (neighborhoods), yet the aspirations of the lower classes could not be realized under Japanese complete authoritarian rule.

In the early post-colonial period (revolution era 1945-1948), Indonesia did not adopt any governmental system. Confrontation and battle for the upholding of independence occurred in many places. The Dutch intended to re-reign after the surrender of Japan to the Allied Forces. In the early 1950s, there was a determination to turn Indonesia into a nation of states (federalism) resulting from a multiparty democratic movement. The intention of distributing political, administrative and fiscal authority became apparent, but as there were political rebellions in many regions, the dream never came true. The central government focused more on integration, and decentralization was feared to be a threat to the nation's unity. Decentralization lost its momentum when President Soekarno declared his guided non-parliamentary whose intention was to stop the progress of liberalization in the regions.

After the collapse of the Soekarno government, the New Order regime developed a centralized system during its 32 years in power. The regime was founded after the country was afflicted with long political conflict and economic crisis. The attempts at recovery were made based on the slogan

of the trilogy of development i.e. stability, growth and even distribution of wealth. The implementation of these principles was considered effective only through a centralized governmental and authoritarian military system. Despite the exhilarating macro economic growth, the general public was disempowered politically, socially and economically. Like under Soekarno leadership, people or the citizens were depressed and exploited. Under the justification of maintaining stability, the New Order regime developed an authoritarian policy which placed the country in a very centralized system. The chronological periods of the political system and government decentralization is presented in the following table.

The New Order government (1965-1997) adopted an authoritarian-based and centralized policy formulation system in the wide socio-political area. With the slogan of mono-loyalty, the New Order regime created what was known as a politico-bureaucratic authoritarian state. Bureaucracy and the bureaucratic tradition became politicized, under the control of the single ruling party. Accordingly, the bureaucratic orientation in policy and decision making was dominated by the ruling party.

The government was characterized by despotism (Mann 1986) which refers to the state's capacity to make and implement decisions without negotiations with civil society. Military power is widely used as an indicator of despotic capacity, because bureaucratic authoritarian (BA) states are

Table 2.1 The political system and government decentralization since 1945

Periods	Political System	Decentralization Acts	Forms of Autonomy
Early Independence (1945-1949)	Democracy	Act No1, 1945 Act No.22, 1948	Real Autonomy
Post-Independence (1950-1959)	Democracy	Act No.1, 1957	Real Autonomy
Guided Democracy (1959-1965)	Authoritarian	Presidential Decree No.6, 1959 Act No.18, 1965	Restricted Autonomy
New Order (1965-1998)	Authoritarian	Act No.5, 1974	Centralization
Reformation Era (1998 - current)	Democracy (Presidential Election)	Act No.22, 1999 Act No.25, 1999 Act No.32, 2004 Act No.33, 2004	Real Autonomy (Local Election)

collaborating with the military in order to maintain their repressive power (Marsh 1988). This despotic capacity created a generally weakened infrastructural capacity to penetrate civil society and include people in the decision making process. The infrastructural capacity is associated with a state's democracy and social participation.

During the New Order (*Orde Baru*) government, the degree of despotism was high with the presence and support of a military authoritarian government for around 31 years. At this time, the nature of the Indonesian government was that of a bureaucratic authoritarian (BA) state as formulated by O'Donnell (1978). It was characterized by the dominance of bureaucrats, political and economic exclusion of the popular sector, depoliticization of the society, and deepening of dependent capitalism. Indonesian civil society was not involved in the process of decision making affecting domestic investments and a wide range of public interest. All factions in other governmental institutions, the legislature and the judiciary, had been co-opted by the executive branch dominated by the state bureaucrats and the military. Consequently, the managerial and political control over state activities by these two institutions was not evident. It was obvious that the government at all levels had strong parochialism that led to economic parochialism instead of economic nationalism. At that time, Indonesian development was guided by bureaucrats and domestic capitalists working together to take advantage of their control over domestic and international resources. This is exemplified by the fact that 61.1% of GDP was generated by only 0.21 percent of the business population, and 95% of private external foreign debt/loan (\$80 billion) was distributed to only 50 business groups in 1997 (Kwik 1998).

Within the same period, social power in Indonesian civil society was separated from political dominance over the state apparatus or government. The ruling class did not rule, and the government institutions were under the control of its officials and were used for fulfilling their economic and political interests. Those who occupied and controlled public office, both political and bureaucratic, were able to appropriate the authority of the state. Therefore, they were not the servants of the state, but its possessors. It was widely acknowledged that the majority of political and bureaucratic power holders were also state managers of capital or substantial private owners of capital. Within this matrix of social and power relations, an explanation of government policies in relation to the capitalist class is quite complex.

However, from a national development perspective, a bureaucratic-authoritarian state is a requirement for the beginning of import-substitution industrialization (ISI) (O'Donnell 1978). The purpose of the BA state in an

ISI period is to create political and social stability. This peaceful internal condition is expected to attract large-scale international capital investments and increase credibility among investors. Capital investments over a longer maturation period, greater technological content, and more complex organizational management require a high degree of future certainty of a profitable environment. This condition is also required by the international financial institutions for their capital safety. The military-bureaucratic elites have to eliminate the threat of political instability caused by the activity of the popular sector including the capitalist and the middle classes. As a result, like in Indonesia, the state eliminates the leaders of the popular sector, turning the labor organizations into an arm of the state, banning strikes, and imposing tight control on the mass media.

O'Donnell (1978) also argues that the BA state is not appropriate to the shift from import substitution to export-oriented industrialization (EOI). The character of the BA state changes following the industrial transformation from import substitution (ISI) to export-oriented industrialization. In other words, the authoritarian regime is a transitional phenomenon in a country's capitalist industrial development. During the transformation of ISI and industrial deepening to EOI with greater integration into the international division of labor, such economic and social regulation and control by the authoritarian regime become irrelevant and counterproductive (Stepan 1978). The transfer of power in South Korea, Thailand, and Brazil were associated with a strengthening of civil society and the power of the domestic capitalist classes (Robison 1989).

In the case of Indonesia, the authoritarian regime was not adaptive to the industrial transformation from ISI to EOI during the 31-year capitalist development and there were not any transfers of power during this time. This led to inefficiency, counter-productivity and an economic downturn. This factor is an important reason why Indonesia did not develop according to the modernization development model. In addition, the Indonesian development situation may be consistent with Turner's (1978) argument about the cultural dimension of Eastern society. He contends that the East is trapped in religion and despotic, patrimonial political systems vulnerable to constant self destruction and incapable of progress. The Third World is characterized by competition for the means of domination and coercion rather than competition for the means of production.

Under this bureaucratic-authoritarian tradition, bureaucrats played their roles as servants of the ruling party rather than good public officials. At the same time, the government also developed the political strategies of floating masses and single principle. These political strategies were initially exercised as attempts to cease the incipient political conflicts, but would later be interpreted as an attempt at depoliticizing. This depoliticizing rendered

political parties barren; thus it was very hard for them to understand the people's aspirations. The quality of the cadres of the political parties became quite low. Cadres who were sharp and critical of the government's policies were believed to be disobedient and defiant, and were therefore recalled. This political autocracy intensified tremendously with the dualistic functions of the military; the New Order regime became so strong that many experts and political observers were quite surprised when Soeharto submitted and resigned after the enormous pressure exerted by the student movement and the monetary crisis that particularly struck East Asia.

Since the fall of the New Order regime, decentralization has become a part of an important mechanism which hopefully will be implemented in the country. Initialized by the implementation of Local Government Act No. 22/1999 and No. 25/1999, regarding local autonomy, the Indonesian government had tried to institute a decentralization system of government. It was followed by the Act revision, which was ratified in No. 32/2004 regarding Local Autonomy and No. 33/2004 of Financial Balance between Central and Local Governments, which gave greater authority to local government (regency and city) in coordinating power and orchestrating finance. Governmental units which can be run by the local government comprise a number of sectors, namely education, general works, health, agriculture, communication, industry and trade, investments, environment land, and cooperative and human resources. It is now the time to examine the benefits of decentralization and democratization and their effect on the acceleration of economic growth and the creation of wealth for the general public. Should it fail, it is possible that another re-centralization will take place.

2.3 Political Decentralization

Article 18 of the 1945 Constitution reveals that the central government was extended to sub-national government and empowered for the creation, maintenance and development of local governments. During the post-independence era, the Local Government Act No. 5 of 1974 became the mainstay of political decentralization which lasted for 25 years until 1999. Indonesian political reform following the fall of the New Order regime is epitomized by democratization in the form of general elections for the central, provincial and regency executive leaders. The election then broadened to include local representative members. Before July 2004, the president of the republic of Indonesia was appointed by the People's Assembly as the highest national executive and should act in concurrence with the House of

Representatives. The People's Assembly has the highest authority. This house is an elective body, composed of representatives of political parties and appointees of the armed forces. The Supreme Court, the State Audit Board and the Supreme Advisory Council are of equal standing with the President and subordinate to the People's Assembly. The president formed and led the cabinet and appointed ministers to lead the ministries. This political mechanism of presidential election was significantly changed on 5 July 2004, at the time of the first general election. In this respect, the members of the House of Representatives were also determined by general elections on 5 April 2004.

In the past, government at the provincial level consisted of a governor with a secretariat and regional offices of central ministries, local government at regency and city levels was exercised through autonomous localities, headed by a regent (*Bupati*) or a mayor of a city (*Walikota*) and a local legislative body.

Local Government Act No. 5 (1974), stipulating that local autonomy should be true and responsible, focuses on local government and gives priority to harmony and democracy. It is aimed at increasing efficiency and productivity in providing public services and in maintaining political stability as well as national integrity and should apply both the decentralization and deconcentration principles. Under this Act, a county commissioner and mayor is proposed by a local legislative body to the President who holds authority to select one among the proposed candidates. This political process terminated in June 2005, due to the implementation of new Local Government Act No. 22/1999 followed by No. 32/2004. The main goals of the last Act is to put political decision-making in the hands of local people, including the election of the members of local legislative bodies.

Local Government Act No. 32/2004, stipulates that local people in the province and regency areas have the right to vote for their county commissioners or mayors in local elections. According to the Act, local leaders to be elected include vice county commissioners and vice mayors. Such elections had been initially implemented in seven Provinces and 159 counties and municipalities from June to October 2005. Meanwhile, four counties and municipalities had completed their local elections and three of them already had the results (counties of Kukar, Pekalongan and Cilegon Municipality) before June 2005. Since then, each province and regency/municipality in Indonesia is required to hold a local election in order to fill up the position of the head of regency (*Bupati*) or municipality (*Walikota*). The local election is also required to determine the members of local representative bodies.

Indonesian political elites at all levels are expecting local elections to be the vehicle to democratization and good governance. Unlike in the previous epoch, public participation through citizens' active engagement in public institutions and decision-making is more possible in the future. The establishment of administrative reform leading to good governance and local development will be more difficult without appropriate political decentralization. In this respect, the creation of a supporting political environment is the key factor to reform. The Indonesian government, private sector and civil society believe that the introduction of democratic decentralization will bring decision-making closer to local people/communities, which in turn will encourage their direct involvement in the political process. According to Local Government Act No. 32 (2004), this political decentralization is to be followed by the devolution of specified powers and responsibilities from the central government to sub-national government. The hierarchy of the Indonesian National, Provincial and Regency/City governments is represented in the following chart.

Fig. 2.1 shows the form of sub-regency government called *Kecamatan* that is comparable to Sub-District level. This means that one regency is composed of a number of *Kecamatan*, which could be a different number from one regency to another. Beneath this level, there is the lowest level of government comparable to village, which is differentiated into two forms: the village level of government within a city and the village in the country side. The former is a government unit which is placed directly under the sub-district government, led by an appointed head, while the latter is an autonomous societal unit of government led by an elected leader.

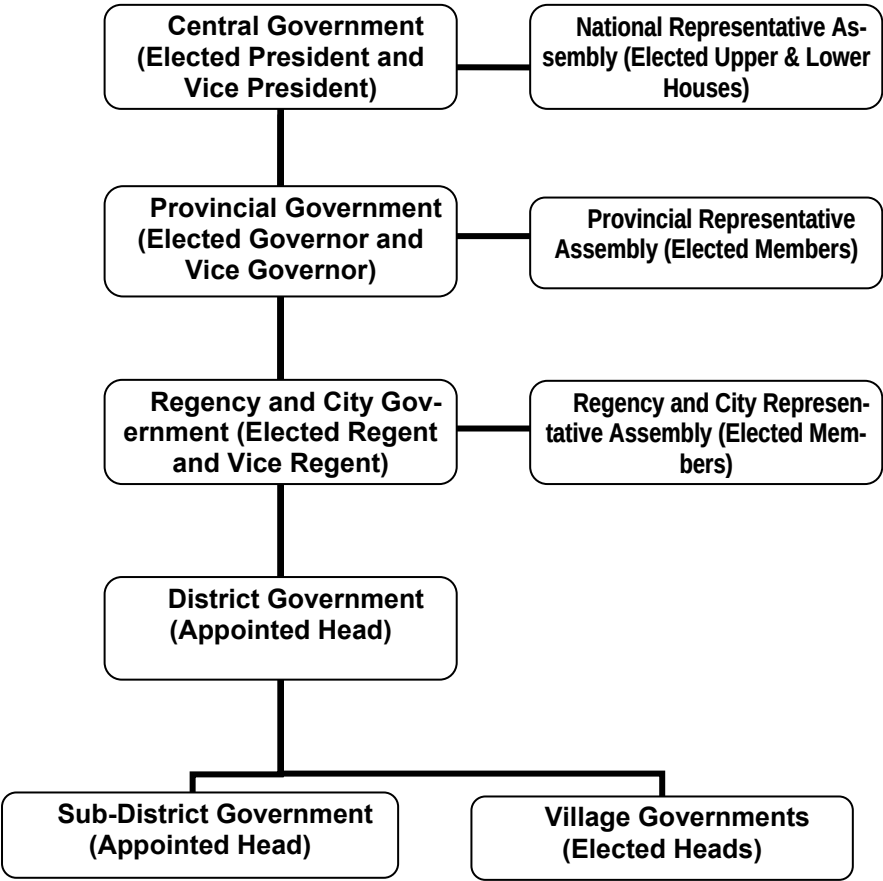


Fig. 2.1 The hierarchy of the central and local governments of Indonesia according to Local Government Act No. 32, 2004

2.4 Personnel Management

Local public personnel administration in Indonesia complies with the national public personnel system. In this respect, the national government employs public personnel for central, provincial and regency/city government. The provincial and local governments have no authority of personnel recruitment or selection. Most personnel management activities such as recruitment, appointment, dismissal, suspension, salary rate, pension and re-

tiement are in the hands of the central government. The provincial and regency governments are under the supervision of the Ministry of Home Affairs. The number of positions and vacancies, determined by the central government, is allocated to all provincial and local governments. The hiring process is initiated by a public announcement regarding the number and qualification of required personnel. These announcements may publicly be proliferated in newspaper advertising, notices in public buildings and by notifying public employment agencies. After the announcements and acceptance of the applications, then various kinds of examinations are administered. The candidates who pass the examination will be appointed as public employees, either in the central or in the local government organizations.

With regard to local public personnel management, the State Act No. 32/2004 stipulates that all national civil servants are under the control of the central government in many respects. It complies with the Public Personnel Act No. 43/1999 as the revised version of the Act No. 8/1974. In other words, the management of local public personnel is not fully decentralized to provincial and regency/municipality governments. This personnel management includes procurement, deployment, career planning, transfer, promotion, demotion, remuneration, social benefits, retirement plans and position classification. In addition, the number of public employees at provincial and regency/municipality level is also determined by the central government based on a proposal submitted by the local government. This number is formulated in a yearly national budget. The governor at the provincial level has the authority for promotion up to the second rank; while promotion to the first rank is at the digression of the Ministry of Interior. At the regency and municipality levels, the regent and mayor have the authority to grant promotion up to the second rank, after consultation with the governor.

2.5 Local Financial Autonomy

The governmental decentralization in this country cannot be simply measured by how far the articles stipulated in the State Act No. 32/2004 and Act No. 33/2004 and their elucidations have been socialized and become public commitment. It is hardly measured by how far the local institutions (state, private or voluntarily) cooperatively interlink and create a symmetrical relationship. Therefore, it is clear that the policy of local autonomy would confront some difficulties in advancing the process of democratization. This would happen if the formulation and execution of political deci-

sions were risked by centering them only upon certain institutions or when they were not evenly distributed to all of the stakeholders in the sub-national regions (provinces and regencies).

Democracy as a political system in its relation to local autonomy stands on at least two requirements, namely (1) the concentration of all institutions in empowering the people in the regions, and (2) the intensification of the checks and balances mechanism among local institutions. Orientation in this context refers to which side the institutions are on when they plan the policies and design the developmental programs before implementation takes place. If this orientation they are trying to concentrate on was not in the people's interests (especially those of the less fortunate), or did not empower the people, the policies planned or the programs designed and implemented would be elitist and would obstruct the process of democratization in the regions. And the mechanism of checks and balances in this context relates to how transparent those programs are, and how accountable they are to public. If the mechanism of checks and balances were weak and not transparent in the process of planning policies and implementing the developmental programs, it would be hard for democracy, which is hoped to grow along with the process of decentralization, to be realized.

At the first stage of local decentralization and democratization, the local institutions are apparently not concentrating on the public interest and welfare, especially for those who are less fortunate. The mechanism of checks and balances in the local community has not been directed toward the process of policy planning and developmental programs implementation. Nevertheless, it is apparent that local governments have great enthusiasm in managing their own local issues. Local autonomy has provided a stimulus for the reconstruction of local government organizations according to their priorities and interests so it is easy to understand if one governmental unit should have one institutional form in one place and a different form in another. The instrument of local autonomy has also provided an incentive for the reconstruction of employment procedures, especially after the recruitment of local government officials becomes a regional responsibility. Another tendency conspicuously increasing today is the effort made by every regency/city to augment its local revenues, particularly through means of taxes, retributions and production sharing capital, which would later be managed according to the region's priorities and interests.

Such a tendency can be related to the fiscal policy stipulated in Act No. 32/2004, which says that the regions are authorized for the function of fund allocation, whereas the function of stabilizing the economy at its macro level is still the right of the (central) government. Local government now receives funding from the (central) government in the form of balance

subsidies or transfers that consist of general allocation funds (block-grants), production sharing capital and special allocation funds, in addition to taxes and retributions categorized as local revenue which they still earned. The sources of local revenues are, among others, land and property tax, agriculture product retribution, fishery business retribution, fishery product retribution and light mining retribution. There are many other kinds of fees collected by local government associated with local resources and services for the purpose of redistribution. In addition to locally generated revenues including various retribution fees, the local governments also received funds transferred from the central government (generated by taxes). The distribution and allocation of this funds transferred from the central to local government vary in respect to the tax objective. For example, 65% of land and property tax is evenly transferred to all regencies and cities; 35% distributed as an incentive to regency/city that obtain the amount of tax greater than the previous year. In terms of agricultural and forest product retribution, local areas are classified into producers and non-producers. The producer regency/area receives 80% and non-producer receives 64%. The great proportion of revenues from gas and oil production goes to the central government; 85% of petroleum and 70% of natural gas. The regency and city governments only receive 6% from petroleum and 12% from natural gas.

The proportion of revenues received by the provincial and regency governments is moderate. In this respect, the absolute amount of money (Rupiah) received by most regions is not as big as expected. In addition, most regional revenues, especially those with no resources of forest, mining, petroleum or natural gas, are generally low. Although the authority related to fiscal policies has been transferred to the local government, the majority of them are still short of funds. There are only some provinces and regencies that have obtained sufficient transfer of funds because of rich natural resources, especially mining, gas and forestry. Consequently, this situation creates a strong financial dependence of most regions on the central government.

A study conducted by Dibyo Prabowo (2001), for example, revealed that other than DKI Jakarta, local revenue as a source of income and means of expenditure is still limited. The block-grant funds given by the central government to the regions called general allocation fund (DAU) is calculated based on two factors i.e. local need and the region's economic potential. Regions with great needs and high economic potential would receive larger general allocation funds than those with small needs and low economic potential. The regions with abundant natural resources have quite a large amount of production sharing capital. Such regions get more

opportunities to plan their own policies and development programs based on their priorities.

Some regencies even use their production sharing capital to increase social welfare, for example by giving subsidies and direct costs for education, health, and transportation. In Kabupaten Tenggara in Eastern Kalimantan, the revenue is added to the salary of local government employees and managerial officials. Meanwhile, regions that do not have natural resources or production sharing capital, with low taxes and retribution revenues, rely on government subsidies in the form of general allocation funds. A large portion (around 80-90%) of the general allocation fund is used for routine expenditures, primarily for salaries. Whereas, the allocation paid for development expenditure is only around 10 to 20%. Accordingly, some regions with fewer natural resources or agricultural sector economic bases are experiencing challenges in the local autonomy period that are harder than those in the centralistic governmental period.

There are at least three important implications that can be inferred from this situation. First, every regency is greatly encouraged to increase local revenues, for example by increasing taxes and retributions and developing locally state-owned enterprises. Second, most regencies are still unable to optimally implement the policies and programs of the local community empowerment; therefore the community's welfare is not improving immediately. Third, there is an imbalance of revenues among regions. The regions with abundant natural resources or in the position of trade and industrial centers have opportunities to obtain a greater amount of revenue. On the contrary, regions with fewer natural resources and which are less industrialized, or concentrate on an agriculture-based economy, obtain less revenue transfer from the central government. The proportion of local revenues found in Indonesian provincial and regency/municipalities are generally low at around 10%. Only some provinces are capable of generating local revenues, such as Banten, DKI Jakarta, East Jawa, Central Jawa, West Jawa, East Kalimantan, North Sumatra, Riau and South Sumatera. About 30% of the 34 Indonesian provinces produce more than 10% of local revenues as compared with total revenue; this includes gas, oil, mining and forestry. In line with this figure, the proportion of local revenue produced by regency and municipality governments is consistently low.

At the present time, Indonesia has 410 regencies and municipalities, 50 of which are classified as the largest local economies in 2004/2005. In terms of the size of local revenue, Kota (City) Surabaya was in first place with Indonesian rupiah 1,134,027 million (US dollar 135 million), followed by Kabupaten (Regency) Bandung, Kota Bandung, Kabupaten Tangerang and Kabupaten Bogor as the big five local economies in Indonesia. The five smallest economies among them are Kabupaten Tegal with Indo-

nesian rupiah 413,102 million (US dollar 49.2 million), followed by 421,574 million (US dollar 50.2 million) that is the total of regencies of Wonogiri, Musi Banyuasin, Kebumen and Langkat (Ministry of Finance 2005). The proportion of local to total revenue at regency government level is increasing from 3 to 32%. The lowest local revenue is found in Musi Banyuasin Regency (3.41%) and the highest one is found in Surabaya city (32.25%). These figures indicate that the proportion of local to total revenue varies significantly, partly due to local resource endowment in each regency and city area.

However, the data does not present a pattern of regularity in the proportion. This means that the proportion is not dependent on the total revenue obtained by a regency or city. For example, the proportion of local revenue in Kabupaten Aceh Utara, which is ranked seventh, is moderately comparable with that of Kabupaten Langkat ranked 46th.

2.6 Civil Society and Public Participation

There are four important stakeholders in any society, i.e. the government, political elites, the business community and civil society. Each group has a different function, yet interrelated to each other. The functions of the local government (both provincial and regency/municipality) are to facilitate the other stakeholders in order to create a situation conducive to the people's welfare. Political elites are functioning to establish the government, the formulation of regulations, political training and the intensification of local leadership. The business community conducts economic activities (mainly profit-oriented), creates opportunities for employment, provides loans, and in turn pays taxes and retributions to increase local revenues. Then, the civil society and common citizens are insisting on facilities, services and empowerment from the rest of the stakeholders. In addition, there are some other stakeholders who are categorized as voluntary, such as non-governmental organizations (NGOs), religious organizations, interest groups, professional groups and cooperatives. They can become the agents of change and play the role of supervising the government, political elites and the business community.

In Indonesian democracy, public participation in local politics is channeled through representatives in the local House of Representatives. Representatives are elected every five years through general elections. During the general election, the people elect their representatives in three ballot boxes: one for their representatives in the national House of Representa-

tives, one for the representatives in the provincial House of Representatives and one for the representatives in the local House of Representatives.

Public participation in development is more common. The most practical means of public participation in development is through the planning process of development projects at the local level. The so-called bottom up planning mechanism is carried out based on the Minister of Home Affairs Decree Number 9 of 1992. According to this decree, the annual planning cycle at the local level must go through six steps, starting with a village planning committee workshop with villagers, followed by several coordination workshops at district, regency/city and provincial levels. In spite of the lengthy process, the end result is a fairly participatory planning process.

The main process of democratization is the relationship among the stakeholders in balance without reducing their own functions and roles. The extent of all stakeholders working in collaboration will give positive effects to the local development. Apparently, there were various forms of relationships made between the stakeholders in the Indonesian local autonomy period. Some localities have been able to establish principles which underlie good relationships among the stakeholders. For example, the legislative bodies were able to choose regents with proper capability and high commitment. In addition, the executives have also been able to increase local revenue or create job opportunities in their regions. In some cases, the regions have been able to realize the principle of checks and balances by placing non-government organizations, the press and religious organizations in a position to make corrections and supervise the performance of the legislative bodies as well as the executives.

Unfortunately, the number of regions which have the capacity of adopting the principle of checks and balances is not significant. Most localities, during the practices of local autonomy, were unable to create a situation conducive to the people's welfare. These regions are marred with inharmonious relationships between the legislative bodies, the executives, and non-government organizations, as well as the press and the business community. The relationships among political forces are also afflicted by conflicts, while there is not any effective solution. The elections of regents or mayors in such regions are often blotted by money politics. Thus, those chosen as the heads of the regions are not people of competence, vision or commitment, but rather ones with capital. Those who are supposed to eradicate collusion, corruption and nepotism in this reformation era are actually the ones involved in these practices.

One important implication that can be drawn from this condition is that the function and roles of the elements of the government, political communities, business persons, common people and even voluntary circles

such as non-government organizations, the press, religious organizations and professional groups have been growing in an ineffective way. The logical consequence would be a severe distortion of the relationships between the elements. The distortion is reflected in the tendency that people in such regions do not feel the need to be obedient to the government as the latter, according to Mochtar Pabottingi (2001), does not act as protector but instead is considered as a predator, similar to James Scott's idea of a predatory state or Yoshihara Kunio's rent seekers. The government neither makes sufficient efforts to assist the local people nor pays attention to the interest of the local community. At the same time, the majority of business people do not comply with the regulations made by the government. They perceive that the local governments are nothing but corrupt institutions that have to be deceived in any way. The whole situation is getting worse when the voluntary circles cannot perform their supervising function because they also are trapped in the conflicts. In regions afflicted with this kind of distortion, the general public could refuse to go along with governments as well as the business community.

The resistance is a part of their response to suppression by the government or the business people. In some cases, the forms of resistance are impelled by a rebellious attitude. The kind of movement which tries to place the government and the business persons down to the lowest level no longer deserves to be respected. The movement seems harsh, sometimes destructive, as well as clueless of what their main target should be. If the people still chose to go on in this way, it would be very difficult to make dialog. This means that the process of democratization in sub-national regions would be stagnant, mainly due to the failure of the elements of democracy, such as positive competition principles, transparency and participation (Diamond 1994).

As has been stated previously, the principle stipulated in Act No. 32 and No. 33 Year 2004 is the transfer of authority from central to local governments to manage and develop their own regions. The regions which used to be strictly controlled by the (central) government now have all the freedom they need to develop to what they aspire. The regions now have the opportunities to make public decisions and to take strategic steps in accordance with local needs and interests. The era of waiting for everything to be directed and technically instructed will soon be thoroughly replaced by the era of proactive autonomy.

It is evident that since last year the necessity between regions to cooperatively interpret the principles stipulated in Act No. 32 and No. 33/2004 has been realized. The association between the governments of regencies/cities and the legislative bodies has actively conducted discussions or seminars concerning issues which are related to the transfer of authority

from the (central) government to the sub-national governments. It is obvious that the majority of sub-national regions are still trapped in a chauvinistic mindset, or, in other words, merely looking inward to their own localities. The indication is that local problems are merely interpreted as those happening in one's region only, or directly affecting local interests. In fact, there are many local problems (such as those of education, health, commerce, environment, etc) that directly or indirectly interlock with problems occurring in other neighboring regencies. Nevertheless, it is possible that problems which grow in one area have (positive or negative) effects on other areas.

The implementation of local autonomy is prone to be misinterpreted as being obtained and owned only by local governments as an absolute autonomous entity. They perceive that the interpretation and implementation of decentralization is not determined by the central and provincial government. Local leaders and officials present themselves as champions of decentralization. Almost every region is now engaged in programs which mean to change officials into professionals who possess high entrepreneurship capability like that of businessmen. Almost every region is also engaged in the attempt of reconstructing the functions and roles of the bureaucracy (bureaucracy reengineering) or revitalizing organizations (re-invention) by reevaluating the visions and missions of bureaucratic organizations.

Not only will this interpretation of local autonomy turn local governments into monolithic power structures, but it will also place local governments as unilateral rulers or "bantam kings" in their regions. If this happens, they would probably set aside the positions and roles of business people, political communities, and circles that engage in the voluntary sector such as the press, non-government organizations, religious organizations and professional groups, whereas it has been previously stated that their roles are very much needed in the process of decentralization and democratization in the regions. The future decentralization practices in Indonesia need to espouse a polyarchal political culture (Woshinky 1995) in the regions. This is a culture that allows all stakeholders to institutionalize trust, possess tolerance toward differences, and give every one of them a chance to express opinions for the sake of national interest.

Far before the implementation of Acts No. 22/1999 and 32/2004, societal participation in development was quite common. The mechanism of community and civil society participation in local development was through participatory development planning at the village level. The Minister of Home Affairs Decree Number 9 of 1992 stipulates the bottom-up participatory planning, named P3MD Participatory Planning for Community Village Development (*Perencanaan Partisipatif Pembangunan*

Masyarakat Desa [P3MD]). This decree operates in the form of an annual planning cycle starting from the village community. The planning process is comprised of six steps, which in most cases requires more than one year. The first step of participatory development begins with community village meetings and discussion led by village administration. The purpose of this meeting is community needs assessment, in which the village community proposes its development program and projects to be carried out in the village. This step is usually performed in March or April, then the output will be presented in the development planning workshop at the district (*kecamatan*) level.

The development planning workshop at district level (in April or May) is attended by the community village development planning organization in respective districts. This activity is facilitated by the Regency Development Planning Board and directed by its official. The workshop coordinates and synchronizes all development programs proposed by village communities. The proposals from all villages are discussed and selected, then compiled as the district development plan for the next year.

The third step (in May or June) is the workshop at the regency level, called development coordination planning workshop held and directed by the regency government. Each district government and administration sends officials that are responsible for development planning to this workshop. This meeting discusses and selects the best development plan proposals presented by the district communities. The workshop will divide the proposals into three different sources of funds: the regency government, the provincial government and central government budgets.

The fourth step (June or July) is the provincial development planning workshop held at the provincial level, attended by representatives of regencies and district governments in the respective provinces. This workshop discusses and selects development planning proposals submitted by the regency government that will be financed by provincial and central government budgets. The workshop determines the approved proposals of development plans according to the financial sources: provincial, national or special funding (e.g. foreign aid).

The fifth step is the regional development planning workshop attended by four "elements" (sub-unit) of provincial governments, especially the Provincial Planning Board, representatives of the Ministry of Home Affairs, representatives of the National Development Planning Agency, and representatives of selected ministries. The workshop decides development plan proposals that are financed by the provincial and national government budgets and other sources (such as banks and private sector). This step is carried out in August or September.

The final stage is the development planning workshop at the national level, held in October or November. This is attended by the Provincial Planning Boards, the National Development Planning Agency, the Ministry of Home Affairs and selected ministries. The workshop discusses and selects the proposals produced by regional development workshops and places each development plan proposal in the national annual budget for respective ministries.

The above mechanism of participatory development planning requires 11 months of preparation and the formulation of a development plan at the provincial, regency, district and village levels. In most cases this lengthy process is difficult to implement in the scheduled time. For example, at the village level, a proposed development plan requires about 18 months before its implementation.

2.7 Summary and Conclusion

Indonesia post independence is characterized by the existence of authoritarian centralized-government for a long period. The two strong authoritarian regimes were established by Soekarno (1949-1965) and Soeharto (1966-1987). The Soekarno government was more authoritarian (with poverty escalation) than that of Soeharto (with more poverty eradication). The shift from the centralized to the more decentralized government was effected by President Habibie right after the fall of Soeharto. East Timor independence in 2002 became a great leap in the democratization and decentralization movement under Habibie's leadership. Another big result was the first, more open competitive presidential election in 1999 with more than 50 political parties participating. The People's Representative Assembly (MPR) then elected Abdurachman Wahid as the first president produced by the movement of democracy and decentralization. Since then, under the pressure of various stakeholders, especially political parties and civil society, the wave of decentralization had become unstoppable until recently.

Decentralization in public management and government has been a continuous effort in Indonesian governmental history. In this respect, the first important policy was the Decentralization Act No. 5/1974, which was functioning until 1999, after the passing of Act No. 22/1999. The last revision of decentralization policy is found in Act No. 32/2004, which is in effect today. Furthermore, the decentralization and democratization movement influenced the first presidential general election in 2004 that resulted in the current president and vice president. Previously, the president was

elected by the People's Assembly. The Decentralization Act No. 32/2004 stipulates that the government heads of the province and regency level have to be elected directly by the local people. As a result, there are more than 300 regencies having elected regents and mayors today. Therefore, the people's participation in political decision making has been increasing in the last eight years and that has strengthened the decentralization and democratization movement. Contemporary Indonesia is undergoing a process of political reform that is expected to open political freedoms and democratization at all levels of government. This is not a culturally-based local political tradition, but a western model of liberal democracy. However, the modernization of political life requires some adjustment to local political culture and traditions. People's political participation in underdeveloped countries is different from that in developed countries. It can be said that democracy could mean different thing for different nations.

Decentralization covers three dimensions: political, administrative and fiscal. In the case of Indonesia, political decentralization has become more dominant than the others. In this respect, the political process of democracy is money consuming; it does not fit the national economic condition. Obviously, economic reform is running behind political reform. This political euphoria is very costly and exceeding the financial capacity of the country. Political and governmental decentralization is not supported by fiscal decentralization as the great proportion of national revenue goes to the central government. An assessment on fund transfers from the central to local government is necessary.

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3 Entangled Democracy, Decentralization and Lifeworld in Flores under Global Trends

Eriko Aoki

3.1 Introduction

In May 1998 Soeharto stepped down from the presidency of the Republic of Indonesia; his resignation had been strongly demanded, especially by university students in Jakarta. Since then decentralization has been promoted rapidly, encompassing changes in laws, administration and fiscal management. Changes in response to the decentralization measures occurred in various ways.

While there has been a large volume of research on Indonesian decentralization, as Matsui points out, most of the research has been done only from the viewpoint of the center (Matsui 2003) and has neglected not only that of the regions but also the relations between the center and the regions. Even if the regions are dealt with, such research mainly focuses on regions which are resource-rich and/or have long resisted the central government due to their historical and religious background. Regions which have been indifferent to the central government policies are left out of the concern of researchers.

Another tendency is that most research focuses on the political and economic spheres. If we look at the local lifeworld,¹ it reflects subtle changes

¹ The concept of lifeworld in this chapter is inspired by Jürgen Habermas. “Lifeworld” is a social field in which people have everyday, face-to-face communications and interactions and is inevitably influenced by what they say and do. The lifeworld is opposed to modern subsystems such as the state and capitalist economy in which actions are adjusted by controlling mechanisms such as media, administrative power and money. It is “the horizon within which communicative actions are ‘always already’ moving” (Habermas 1987: 119). The lifeworld evades our cognitive grasp. It has a form of knowledge of its own, which com-

as decentralization tends to be too complicated to be understood only from the political and economic viewpoints. Not only cultural but also philosophical perspectives must be considered. If the effects of decentralization are to be assessed at all, it is extremely important to explore them in the people's lifeworld.

Since democracy is regarded as the moral foundation of decentralization in any country, this chapter focuses on the implications of the decentralization measures on Indonesian democracy, particularly with respect to a region and its relation to the center. Many researchers of decentralization deal with democracy as a main issue. They may agree that the exploration of the people's lifeworld is most important for the assessment. This chapter examines in what ways national democracy has encountered a local endogenous kind of democracy in the lifeworld of Wolosoko people in central Flores, eastern Indonesia, since decentralization started.²

Many Wolosoko people have believed that they are the "source" of all the people in the world and therefore the center of the world.³ Their myths and esoteric knowledge convince them that because of being the "source," all the people in the world owe their existence and well-being to the Wolosoko people. In spite of their notion of "centrality," the global hegemonic system has peripheralized them and even made them "invisible." Since Flores has been poor in resources of any kind⁴ and remote from the center in all senses, the Dutch colonial rulers and successive Indonesian governments have only minimally interfered in the lifeworld there. Like Flores, other small islands in Indonesia are resource-poor and politico-

prises assumptions and skills that we utilize almost without awareness (Habermas 1987: 113-197; Nakaoka 1996). Lifeworld has an ontological foundation.

² In order to protect the privacy of the Wolosoko individuals mentioned in the text, pseudonyms have been used.

³ The following short myth told by a middle-aged man explains poetically why they are the source (*pu'u*) of all the people in the world. "In the beginning, there was no land at all, but only sea everywhere. The only dry land was the summit of Mt Lepembusu. The sky was an elbow high // the land was a span-wide. There was a *liana* reaching the sky. Anakalo (literal meaning: orphan) lived there. There were no other living human beings. And then Anakalo severed the vine of the *liana*. The sky flew high up // the sea withdrew far." "Source" is one of the most important concepts in their ontology. Anyone depends on and is influenced by his/her 'source,' which can be his/her parents, especially mother, ancestors, people with a certain genealogical or totemic link.

⁴ Slaves might have been the only resource of Flores during the Dutch colonial time. However, due to the low population density and uncontrollable indigenous slave traders, it was not lucrative to the Dutch colonial government (Needham 1983).

economically unimportant to global hegemonic systems. Examining what is going on in the context of decentralization in the lifeworld of Wolosoko people helps us to have an accurate understanding about democratization in other vast areas in Indonesia.

For this purpose, this chapter adopts an anthropological approach based on data from my own fieldwork, which has been conducted since 1979.

3.2 Global Winds and Decentralization in Indonesia

Decentralization of nation-states is one of the contemporary global political trends (Matsui 2002; Kimura 2006). Most nation-states, whether developed or developing, are now trying to decentralize their administrative and fiscal management. Much research points out that these winds are related to the end of the Cold War and so-called globalization. Kimura asserts that within these contemporary political trends it is difficult for any explicitly authoritarian state to exist. Now, along with the eclipse of the prestige of bureaucracy, the functions of the central organizations have been transferred to local governments or to private sectors. The former process is decentralization and the latter is privatization (Kimura 2006: 2-3). Manor suggests that decentralization has occurred because the centralized authoritarian, anti-communist governments like the Soeharto regime, for example, have lost their reason d'être since the end of the Cold War (Manor 1999: 30-34; Matsui 2002: 199).

The rather widespread belief that the current decentralization in former despotic countries was caused by the bottom-up spontaneous demands by awakened citizens is only partially true and can be misleading. As Manor maintains, there are, in general, many factors and actors involved in decentralization (Manor 1999: 33-34). It is also the case with Indonesia.

Decentralization in Indonesia has been promoted and supported by international organizations such as the International Monetary Fund (IMF), World Bank, and the United Nations Development Programme (UNDP). Many international aid organizations and foundations based in developed countries are also engaged in promoting decentralization in developing countries (Matsui 2003: 6). A prospectus by the IMF concerning Indonesia in January 2000 stipulated that decentralization is a condition for IMF financing (Okamoto 2001: 35). As in other developing countries, decentralization in Indonesia has been carried out due to this kind of pressure which forms an important part of the global geopolitical field. Since decentralization in developing countries has been guided and funded by the leading in-

ternational aid agencies, its implications tend to be different from those in developed countries.

Diverse expectations and intentions for decentralization are put forward by researchers, aid agencies, international developmental programs and governments (Matsui 2002, 2003). These include improvement of administrative efficiency; development of civil servants; good governance; establishment of civil society; transparency and accountability of governments; local people's participation; actors' partnerships; and democratization and regional autonomy. There is a clear tendency that the discourse on these expectations and intentions are shared or most understood by the urban elites but least by ordinary people, especially in rural areas. If decentralization results in authoritarian regional governments monopolized by a small number of local elites, it would harm the lives of ordinary people. Unless decentralization brings about changes that are congruent with people's value systems, it can be nothing but an elites' tool in a preferable guise to manage ordinary people for the benefit of these elites.

The central governments of developing countries put decentralization into practice in order to restore the confidence of the people in the state, which was lost through the authoritarian centralized regimes of so-called "development dictatorships" (Matsui 2002: 199). While this may sound paradoxical, it is expected that decentralization will promote democracy and regional autonomy by integrating people and local leaders into the nation.⁵ This paradox precisely applies to Indonesia. It also gives a reason why there was no objection, not even from the central bureaucrats who may lose their vested interests by decentralization (see Okamoto 2001: 41).

According to Okamoto, the background and purpose of decentralization are as follows (Okamoto 2001: 3-4):

1. Since spontaneous economic activities in regions were long discouraged under the authoritarian centralized Soeharto regime, economic development consequently remained inefficient. It is intended that empowering regions may produce efficiency.
2. The separatist independence movements extremely intensified in East Timor, Aceh and Irian Jaya (Papua), which had been cruelly suppressed by the Indonesian state military many times. Decentralization is implemented with the intention to prevent their independence and resolve these problems as domestic affairs within the nation-state.

⁵ Tikson in this volume mentions that the Dutch colonial government also applied decentralization policies to place regions under its control by conciliating the rebellious movements.

3. Demands for federalism and even for independence were heard in such resource-rich provinces as East Kalimantan, Riau, and Irian Jaya (Papua), since they had long been dissatisfied with the central government that took away the benefits of those natural resources. It is intended to soothe this dissatisfaction by decentralization.

In November 1998, the National Assembly decided that decentralization should be promoted with a focus on redistribution of benefits of natural resources to the originating regions in order to enlarge their revenues (Okamoto 2001: 4). Since then, nearly ten years have passed. It now turns out that the revenues given to regional governments are not as much as expected. Since the authority to deal with the revenues was transferred to the regional governments, *KKN* (popular acronym for *korupsi, kolusi, nepotisme*: corruption, collusion and nepotism), which were the characteristics of the president and central government, have ironically pervaded the regions. A limited number of governments of regions that are rich in natural resources received abundant revenues from the central government. Those economically developed regions have implemented new taxation in order to increase revenues. Most governments of regions which are not only poor in natural resources but also economically underdeveloped, depend on the central government financially as much as before the outset of decentralization (Okamoto 2001: 40-41; Tikson in this volume).

However, it does not mean at all that rural people in such poor regions such as in Flores have been dependent on the central or regional government for their livelihoods, as we will see later, since they have been rather self-sufficient in many regards.

In East Timor, a referendum on independence was held on the 30th of August 1999. The result was that 78.5% of the votes were for independence. After a period of interim control by the United Nations, East Timor became an independent republic in May 2000 (Yokoyama 2006: 289-290).

Aceh and Papua were given the status of a special autonomous province by the central government. Under the new law, they are receiving a most privileged redistribution of revenue. After a very severe earthquake in Aceh in December 2004, negotiations between the Free Aceh Movement (*Gerakan Aceh Merdeka*=*GAM*) and the Indonesian government were held to conclude a peace agreement in August 2005. After implementing the special redistribution of revenues from the central government, large revenues have become available to Aceh and Papua, which started to cause serious conflicts within the provinces. Many corruption cases have occurred. Due to an unsatisfied feeling of financial inequality, further splits within the provinces may occur. As long as human rights abuses by the state military remain unrectified, it would be difficult to nurture people there as In-

donesian citizens even with preferential treatment as part of decentralization (Kouno 2005: 382-384).

It is often argued that because Papua is culturally alien to Indonesia it is difficult for Papuan people to identify themselves as part of the Indonesian nation. As Indonesia is alien to Papua, it is also to Flores⁶. What is different between Papua and Flores is that the central government has interfered far less in Flores mainly because Flores does not have any natural resources beneficial to the central government.

3.3 The Persistent Ethnic Structure of the Nation-State and the Emergence of Regional Identity Politics

In responding to the end of 32 years of Soeharto's oppressive rule based on a highly centralized governmental system, it is said that the *reformasi* (Indonesian word for reformation) started with an upsurge in people's expectations. It is, however, the central government that has been one of the main actors for *reformasi*. Especially in the Habibie years (1998-1999), the central government urged the institutional *reformasi* onward as rapidly as anyone could have imagined. It is often maintained that because Bacharuddin Jusuf Habibie had been inaugurated as president from vice president by law after Soeharto's resignation, he was keen to promote reformation in order to convince the nation that he was not a temporary president by chance but a legitimate reformer (Sato 2006: 26; Kawamura 2002: 57-61; Okamoto 2001: 3).⁷ "Reformation" in Habibie's era mainly meant the rejection of the Soeharto regime: eradication of *KKN* (corruption, collusion and nepotism); a cessation of the state military's interference into politics and administration; realizing freedom of speech; and dismantling the authoritarian, oppressive, centralized government system, especially by democratic elections based on freedom of political parties. Promoting decentralization was relevant to this context of the reformation.

⁶ The following quantitative data indicate that the Indonesian government is alien to Flores. Among the 38 members of the cabinet formed in 2004, 25 are from Java Island, 4 from Sulawesi, 4 from Sumatra, 2 from Aceh, one from Bali, one from Kalimantan, and one from Papua. In terms of religion, 35 of the 38 members are Muslims (Matsui and Kawamura 2005: 432-433). 90% of the population in Flores is Catholic.

⁷ It is often pointed out that there is a personal reason for Habibie's desire for reformation. Because it was widely known that Habibie was a family-like friend of Soeharto's since childhood, he had to behave as though detached from Soeharto.

Reactions and perspectives toward the reformation varied from one region to another. In general, decentralization means regional autonomy for local people. In the course of decentralization, they started to consciously value their own ethno-culture in the national context. How strongly this ethno-cultural identity politics works varies from one region to another depending on historical, political and economic conditions.

The highly centralized and authoritarian rule already started in the era of Soekarno (1945-1967) as symbolically designated by *Pancasila*⁸ (Five Fundamental Principles), the sole state principles, which he promulgated in 1945. He further advanced authoritarian rule by the state policy of "Guided Democracy," which started in 1959 (see Tikson in this volume). In the Soeharto regime, the authoritarian centralization was enforced and the regions were repressed and controlled by carrots and sticks; the distribution of funds and projects for economic development and latent threats of state violence by the military and police.

Even in the centralized authoritarian eras the national slogan concerning ethno-cultures was "Unity in Diversity (*Bhinneka tunggal ika*).” Ethno-cultures were postulated by the state as objects for aesthetic appreciation. Especially in the Soeharto era, regions and, consequently, their ethno-cultures were depoliticized and disempowered. While voices of the regions could scarcely be heard by the central government, regions kept their attention to the center. Regional ethno-cultures were recognized only as folk arts or resources for tourism (Acciaioli 1985). On the one hand, ethnic identities embedded in regions were, in general, treated only as categories for administrative domestication and academic classification (Kato 1993). On the other hand, two ethnic categories, Javanese and Chinese, were politically articulated for the centralized state building.

As is well known, the Soeharto regime was established through the suppression of the supposed coup by the Communist Party of Indonesia in 1965. The state military alleged that some members of the Party had killed six top generals. Immediately after the coup, the state-wide massacre of communists and suspects started and continued for some two years. In the anti-communist climate of the Soeharto regime, many people, even elites, were convinced that communists were devilish. Consequently, Indonesia was on bad terms with China and ethnic Chinese in Indonesia were op-

⁸ *Pancasila* consists of the following five principles: 1. belief in one and only God; 2. just and civilized humanity; 3. the unity of Indonesia; 4. democracy guided by the inner wisdom in the unanimity arising out of deliberations amongst representatives; 5. social justice for the whole of the people of Indonesia. http://en.wikipedia.org/wiki/Pancasila_%28politics%29 Accessed on 17 August 2007.

pressed by the state. Chinese schools and media were banned. Their customs were heavily oppressed. Ethnic Chinese were restricted to cities and towns. As a small minority who hold economic dominance in the country, ethnic Chinese, like Jews in Europe, have long been discriminated against and have been made political scapegoats. Many Chinese shops were damaged and Chinese women assaulted by mobs in many towns and cities right before Soeharto's resignation. Ethnic Chinese have been used as "domestic others" to support the Indonesia nation-state as an "imagined community."⁹

In contrast to ethnic Chinese, the Javanese ethnicity and culture were privileged under the Soeharto regime. He himself was Javanese and stressed his Javanese-ness in official contexts. He appointed many Javanese elites as heads of local governments outside Java and made many poor Javanese peasants migrate (*transmigrasi*) out of Java. In 1979, traditional villages based on customary laws (*adat*) in respective regions were legally abolished and all the rural areas were divided into the smallest administrative units and put under state control, to which the Javanese word *desa* for village was applied. Family events on national holidays carried out by the Soehartos in a Javanese way in the Independence Palace (*Istana Merdeka*) were broadcast nationwide. In so doing the Soehartos represented not only the national exemplar of family, but also symbolized the unity of the Indonesian nation as one "family." The Indonesian state has emphasized Javanese ethno-culture since the time of the independence movement (Nagazumi 1980). It was especially emphasized in the Soeharto era.

Ten years have passed since his resignation. Communists do not have citizenship yet. There is no communist party, although many political parties were established. Many ethnic Chinese have a persistent fear of becoming a national scapegoat. All the presidents except Habibie, who held the presidency less than one and half years, have been Javanese. More than 65% of the current cabinet members are from Java Island (Matsui and Kawamura 2005: 382-384). The structure based on Java centralism, and discrimination and exclusion of other ethnic groups, especially the Chinese, has still survived on the one hand. Identity politics based on ethno-culture have been incidentally elevated in almost every region since the outset of regional autonomy on the other hand.

The new law of regional administration issued in 1999 abolished the law of 1979 which ignored regional diversity of customs and mandated that all the regions use *desa*. The new law stipulates that respective regional cus-

⁹ It is likely that they were linked to communists in the national imagination in the Soeharto era in accordance with the geopolitical deployment of communists in the Cold War era.

toms must be taken into consideration. Some regions, such as regencies in West Sumatra province and Tana Toraja Regency in South Sulawesi Province,¹⁰ abolished the *desa* system and replaced it with an allegedly local traditional system with a local term for the administrative village (Shimagami 2003; Kagami 2006)¹¹. Most regional governments, however, have basically kept the *desa* administrative village system implemented in 1979. Whether or not the *desa* system has been kept, the consciousness of ethno-cultures has been concerned with two issues: raising prestige in the nation-state, and monopolizing entitlement to regional benefits including allocations by the central government. Newly emergent identity-politics based on regional ethno-culture correlates with these aims.

Prestige based on ethno-cultures is heightened in regions whose cultures were studied by Dutch scholars in the colonial era or appreciated by national and international tourism in the postcolonial eras. People, especially elites, in these regions continue to redefine their “own cultures” by referring to the colonial and postcolonial knowledge of cultures (Shamsul 2004). Such cases in Sunda (West Java) and in Bali have been often reported (Fukuoka 2006; Umeda 2006).

Since the implementation of decentralization, the authority to decide regional revenues was transferred to the regional government. Due to democratization, decision making is done on the basis of the principle of majority decision. Consequently, many people intend to redefine the boundary of their administrative region and its members in order to maximize the number of membership in their own group (Okamoto 2001: 41). In this context, the ethno-culture is demonstrated in order to legitimize the redefinition. These voices are especially loud in resource-rich regions (Aspinall and Fealy 2003: 2; Ford 2003; Fukao 2003; Sato 2006: 30-31).

Concerning democratization and ethno-cultural identity politics, what has occurred in Flores, which is resource-poor and tends to have been ignored by colonial and postcolonial interests?

¹⁰ As explained in Tickson’s chapter, the term “regency” is adopted from the Dutch colonial rule, when the local leaders were appointed by the monarch as “regents.” In the current administrative system it corresponds to *kabupaten*.

¹¹ These rearrangements are not only for demonstrating regional autonomy in the national context but also for other reasons related to various agencies such as local powers, NGOs and international aid agencies (Shimagami 2003).

3.4 An Analytical Review of Democracy

Democracy and democratization are key concepts in decentralization in Indonesia. It is not at all self-evident what democracy or democratization is. How is democracy realized in historical and cultural contexts?

Recent research in anthropology has demystified democracy (Paley 2002). In the Cold War era, while socialist governments asserted themselves as being democratic, the Western Bloc was proud of democracy as their specificity and the antithesis of communism. Many despotic governments have (ab)used ostensibly democratic mechanisms for oppressive control in Latin America, Africa, Asia and Europe. The U.S. foreign policy tended to justify what could be considered violent practices in the name of democratization of despotic and disordered foreign countries. In practice, the fact that democracy or democratization is discursive and contextual tends to escape from research.

There are at least two reasons for this tendency. First, some researchers tend to see democracy as a universal political form, especially to be pursued as an idealized course of modernization in developing countries. Their analyses are often uncritically based on modern and/or global logic and value systems. They do not pay serious attention to indigenous political forms which are culturally, religiously, and morally embedded in people's lifeworld. Secondly, they tend to pay little attention to the fact that, if democracy is realized at all, it is a kind of hegemony. It is significant to note that decentralization in many countries has occurred due to global pressure, and thus decentralization itself constitutes a form of hegemony by global powers oppressing lifeworlds in developing countries. Even in developed countries, there is often criticism that democracy is definitely influenced by the global market economy. This kind of research has tended to ignore people's lifeworld.

In addition, we must note that democracy, parliamentary and/or electoral, results in majority decision and can work oppressively against the minority. As a political rule it has defective and self-deceptive aspects, although as ideology it is longed for and appreciated as emancipation from, and resistance against, despotic control. Even as ideology, democracy is often made use of by oppressive governments. Research with the preoccupation of its universality and ignorance of its defects surely tends to oppress people's lifeworld.

3.4.1 Historical Development in the West

Realization of democracy has been diverse even in Europe. Focusing on European cases, Stein Rokkan (1921-1979) postulated the historical development of democracy and the concurrent relationship of democracy and centralization of state power (Rokkan and Eisenstadt 1973; Shimada 2006: 15).

He observed that in the first stage, elites are integrated politically, economically and culturally. Cultural ties are built across regions, and many institutions for political security, judicature and social foundation are formed. In Europe, this stage corresponds to the late Middle Ages or to the Ancient Regime in France.

In the second stage, elites at the center and the population on the peripheries come to be directly connected through conscription, compulsory education and mass media. This motivates them to participate in national politics. In the third stage, various institutions are formed for the people to assert their demands, which influence national policies. In the final stage, through redistribution, policies result in equalization of economic conditions and welfare services. This kind of redistribution inevitably entails a huge centralized administrative system. The establishment of a welfare state is the goal of democratization and state development.

According to Rokkan's developmental model, democratization and the establishment of a centralized state are paradoxically concurrent. He maintains that the above mentioned development is a theoretical model and, in reality, forms of democracy and nation-states vary according to historical, political, economical and cultural conditions, even in Europe. His model was molded in the 1960s and 1970s, which was in the middle of the Cold War, when in the West the ideal welfare state was emphasized as the ethical foundation to counter the hostile East of socialism. After the end of the Cold War, welfare practices have become more privatized and the ideal of the welfare state has come to be less emphasized. Changes since the 1990s suggest that the welfare state is not the end form of state development. Although Rokkan's model is interesting, not only its Euro-centrism but also its historical limits should be pointed out.

3.4.2 A Non-West Case of Democracy Embedded in Lifeworld

Independence movements and postcolonial nation building in non-Western areas were in confused relations with Western thought. Those elites among the colonized, the leaders of the movements, underwent modern education at colonial schools. Although they were inevitably immersed in modern

Western thought and organized the movements in order to build an Independent nation-state, originally a modern-West political institution, they strongly resisted modern-West colonial rule.

A look at the process in Orissa as an example will shed light on the situation in Flores. Tanabe has analyzed how democracy has been accommodated in Orissa in India in changing historical contexts from the colonial periods until the present (Tanabe 2006). Democracy in Orissa was historically transformed from Enlightenment democracy by the national elites to that of votes and voices by factional leaders and subsequently to a democracy ontologically embedded in the lifeworld of most oppressed people.¹²

Under British colonial rule, the indigenous elites who had been educated at colonial schools created a sphere for Enlightenment democracy by forming many types of associations. Their efforts paved the way for the independence movements. Enlightenment democracy deriving from the modern West provided a foundation for the resistance by Indian elites against colonial rule but at the same time ironically provided a foundation for the justification of British rule.

Democracy of votes and voices reached their peak in India at the time of the most flourishing factionalism in the 1970s and 1980s. Although it theoretically allowed anybody to make demands by taking advantage of the privilege of a voter, in practice it marginalized lower castes and women due to the factionalism and reproduced the colonial hierarchy and dominance. Democracy of demands, which can be reduced to that of majority decision, inevitably has a moral limitation. It is mainly concerned with the politico-economic sphere and can be amoral, even immoral. The people's ethics and morality are grounded in the ontological sphere based on ritual and religion which cannot be separated from lifeworld.

In India as well, since the 1990s, decentralization and regional autonomy have been promoted by the central government. In this process the top-down reformation has overlapped with the development of grassroots vernacular democracy.

While the present and future of democracy in Orissa look very promising, Tanabe also explores the depressing side of this transformation. Since the economic liberation of India in 1991, the ruling classes have relatively lost interest in participating in regional politics because regional politics became less significant for them to gain affluence and instead the global market economy became much more lucrative for them. In other words,

¹² Enlightenment democracy aims to guarantee human rights to all people on the basis of liberty and equality.

the progress of grassroots democracy in Orissa occurred as a secondary product of the global transformation.

The “politics of demand” has entered a new phase. This is a global phenomenon. The basis has moved from production-oriented and nation-state-centered demands to a consumption-oriented and global market centered one, in which people are counted and meticulously categorized by various indices as consumers (Tanabe 2006). In this process the nation-state system tends to be subordinate to the global economic system.

Rokkan’s and Tanabe’s analyses point out various common features in the development of democracy. It is the elites at the center that commence the new movements of democratization. The transformation at the next stage involves ordinary people who are often on the peripheries. The involvement affects their sense of belonging on the one hand, and politics of demand under the management of elites on the other hand. This historical process coincides with the development of a centralized nation-state based on conscription, school education and mass media. Decentralization or redistribution reinforces the development of the centralized nation-state.

Democratization may have both promising and depressing sides. While democracy may emancipate people from oppression, it might deprive them of a moral and existential foundation provided by a traditional lifeworld. With macro and micro perspectives, democracy in Indonesia, and especially in lifeworld in contemporary Flores, will be explored.

3.5 Accommodation of Democracy in Indonesia

3.5.1 Nationalism and Democracy

Even before independence, educated elites in Java enthusiastically searched for a type of democracy that, they thought, would be appropriate to their newly independent nation-state. Since around 1910 there had been strong ideological trends of anti-West and anti-modernism among Javanese intellectuals. In this tradition, Soepomo, an influential member of the Preparatory Committee for Independence, rejected liberal democracy and individualism as a foundation for the future nation-state, and insisted that Indonesia should not adopt a parliamentary system of liberal democracy (Kawamura 2002: 39). In the 1930s, Europe was undergoing a “crisis of the modern constitution.” Because of the collapse of the Weimar Constitution in Germany, the parliament could not function as a legislative body. In this historical situation, the Preparatory Committee for Independence of

Indonesia denied such parliamentary systems adopted by European countries (Kawamura 2002: 38-39).

In the Indonesian national movement for independence, Javanese elites searched for principles for their future nation-state that were appropriate to Indonesia and different from those of Europe. They finally found “Javanese familism” (*kekeluargaan*) and “Javanese cooperationism” (*gotong royong*) as the principles for national integration and security. These principles were embodied in the 1945 Indonesian Constitution, which gave legal foundation to the authoritarian centralized regimes of Soekarno and Soeharto (Kawamura 2002). However, Javanese elites framed these principles,¹³ which then almost inevitably became a state apparatus for ruling people. Unlike those in Orissa, Java elites did not pursue the straightforward Western type of Enlightenment democracy and civil society.

Soekarno and Soeharto promoted *Pancasila*, in which “guided democracy” is stipulated as one of the national principles. Although the Communist Party of Indonesia tried to spread democracy among ordinary people, their movement was suppressed by Soeharto (Hilton 2001). In the 1990s, under international pressure, Soeharto disguised his authoritarian regime by top-down democracy, which was apparently limited and could not stop his resignation. President Habibie stipulated democracy in the new laws. President Wahid, due to his concerns for human rights, made efforts to investigate the massacre of communists and suspects in 1965, which had long been ignored as if it were a national taboo. He was dismissed by the parliament after only 21 months in the presidential office. The short life of each presidency might be the result of parliamentary democracy promoted by these central governments.

From the ordinary people’s point of view, the issue of democracy emerged on the horizon of their lifeworld only after the fall of Soeharto. In 2004, they participated in the direct election of president for the first time in Indonesian history. They have come to be involved in majority-rule-based decision making and politics of demand as voters. Electoral democracy as an administrative rule has been realized in Indonesia. Case studies of Java and Bali indicate that democratization of voices seems to have been gradually realized recently at administrative village meetings, which were previously dominated by an administrative village head and locally influential persons before decentralization (Kagami 2006; Mizuno 2006). At the same time, it can also be maintained that since decentralization allows regional elites to legitimize their dominance by allegedly reviving

¹³ The Javanese elites even compared these principles with those of the Nazi and Japanese Empires.

their traditional hierarchy, there can emerge authoritarian governments in many regions (Okamoto 2001: 44).

Wolosoko people in Flores also participated in the direct election in 2004. It means that they experienced democracy in administrative rule, but it does not necessarily mean that it has changed their lifeworld. How has democracy been accommodated in the Wolosoko lifeworld, which has neither been dominated by an administrative village head nor had hierarchical traditions?

3.5.2 Democracy in Wolosoko Lifeworld

3.5.2.1 Historical Experiences

The Dutch colonial policy towards Flores was one of “non-interference” until the beginning of the 20th century. Direct involvement was seen to be too expensive. The local leaders in Flores were never submissive to the Dutch government and often attacked the colonial branch office. The situation was disruptive to the Dutch government, which was annoyed by indigenous feuds and uncontrollable actions (Dietrich 1983).

In 1907, the Dutch government could not but be involved in the conflict with the local population in Ende, a town on the south coast of central Flores, and its vicinity in general. Ende was burnt down and plundered by numerous Endenese villagers. After the Dutch military expedition, their efforts for the colonial management of Flores started in 1910. Pius Rasi Wangge, an indigenous man from the south coast, was appointed the administrative chief of a district including the Wolosoko area in 1915. He was not submissive to the Dutch government, which arrested him for abuse of power and the murder of girls for agricultural rituals. The Dutch finally killed him in 1945 (de Bryune 1947). He was only one of numerous local chiefs. He was chosen only because he was exceptional in that he had undergone Dutch colonial education. According to the local custom, Pius’ influence was limited to his traditional domain. By taking advantage of being an administrative chief, he allied himself with several influential men in his administrative district through marital relations. People outside of these alliances were not at all obedient to Pius. Some Wolosoko people like to talk proudly of how their ancestors ignored Pius’s authority. Compared with Java, the period of colonization in Flores was much shorter and its influence limited.

The Japanese army arrived to drive away the Dutch in 1942 and followed the Dutch administrative system. After Japan was defeated, the

Dutch returned to Flores. At the conference of Denpasar, Bali, the State of Eastern Indonesia comprising Bali, West and East Nusa Tenggara, and Sulawesi was established in December 1946, which resulted from the negotiations between the Dutch colonial government and representatives of the native people appointed by the Dutch. In December 1949, the independence of the Republic of Indonesia, comprising all areas except Papua of the present day, was declared.

It was not until 1962 that Indonesian administrative divisions were introduced in Flores. Because Flores was geographically and politically remote from the center and resource-poor, it was less interfered with. In 1965, however, the anti-communist campaign and killings swept Flores, too. Compared with other areas such as Java and Bali, the number of victims was definitely small in Flores, especially in the mountainous areas. Many people underwent Catholic baptism around 1970, mainly because they were afraid to be suspected as communists. Until the 1990s, the central government hardly interfered in the Wolosoko lifeworld.

In 1992, a strong earthquake greatly damaged Flores. Some domestic and foreign aid for recovery were brought in by government officials. In 1994, a development program for areas left behind started nation-wide by presidential order. The Wolosoko area qualified as “left behind.” Although this program did not work well in the Wolosoko area and some cunning Wolosoko people engaged in *KKN* in carrying out the program, the image of the state gradually changed.

Unlike Javanese elites in the independence movement, Wolosoko people have never faced the issue of democracy as a politico-administrative principle. Most Wolosoko people only vaguely know the recent historical changes in Indonesia. But, some of them were excited at Soeharto’s resignation and the subsequent “reformation,” from which they do not expect too much now. They started to participate directly in democracy by voting in 2004.

The fact that the experiences concerning democracy as a politico-administrative principle are new to Wolosoko people does not mean that they have long lacked democracy and autonomy. Traditionally, their society is flexible in terms of social stratification. Their lifeworld has been “autonomous” and “democratic.” What they are newly experiencing is an encounter with the modern principle of administrative democracy and regional autonomy in the context of decentralization propelled by the state under global trends.

3.5.2.2 *Endogenous Democracy and Autonomy*

Nua, ritual-polity, is the traditional ritual-political unit in the mountainous area in central Flores. The ritual-polity is the largest unit, since there is no overarching traditional political organization. Simple calculation based on my fieldwork and van Suchtelen's data suggest that the number of the ritual-polities in central Flores is about 180 (van Suchtelen 1921). The population of a ritual-polity is between several hundred to approximately 3,000.

Each ritual-polity has a ritual-village, a physical entity, consisting of standing stones at the center surrounded by a ritual court yard, one shrine and several ritual houses. Ritual leaders organize and play important roles in rituals for thanksgiving to various spirits and ancestors and for celebrating the future wellbeing of their ritual-polity. These rituals regulate the agricultural schedules. Usually ritual-polity does not coincide with *desa*, the administrative unit of village. For ordinary people, identity does not draw on *desa* but heavily on the ritual-polity. The people of each ritual-polity often put forward various arguments to demonstrate their ritual-polity's ontological superiority over other polities. Since each ritual-polity is "autonomous," claims of superiority are always left unsubstantiated.

Wolosoko is one of these ritual-polities with a population of about 2,000.¹⁴ Until the 1980s, they lived primarily on wet-rice cultivation. However, cash crops, planted around 1984 and starting to yield fruits in the early 1990s, are becoming important. Since the late 1990s, a considerable number of young people go to Kalimantan, Batam and Malaysia to work for cash and experience. There are six ritual houses and each Wolosoko person is affiliated with one or more of them. Neither Wolosoko people nor the six ritual houses are stratified, but rather differentiated by complementary ritual and mythic roles.

It is generally believed that political power and/or prosperity are necessarily owed to its "source," which may neither be politically powerful nor economically prosperous. The power and prosperity are always under the control of its "source." This paradox of power is apparent in the structure of ritual leaders. There are both women and men ritual leaders. The former are regarded as the "source" of the latter, as a mother is to her children. Among the male ritual leaders, Origin Ritual Leader (*mosa laki pu'u*) and Great Ritual Leader (*mosa laki ria béwa*) play the most important roles.

¹⁴ I started my anthropological fieldwork in Flores in 1979, the monumental year of the authoritarian centralization in Indonesia. Between 1979 and 1984, I spent three years in Flores with two several month intervals. I paid one to four week visits to Flores in 1987, 1990, 1992, 1998, 2000, 2001, 2002 and 2006. I could watch historical changes in central Flores, especially in the mountainous areas, for 27 years.

Their roles are complementary. It is emphasized that Origin Ritual Leader devotes himself to performing rituals in order to link the ritual-polity to the universe for its wellbeing. While Origin Ritual Leader should be still and inactive, Great Ritual Leader should be active, influential and wealthy in order to exercise leadership in internal and external affairs. Great Ritual Leader's qualities are bestowed by Origin Ritual Leader. Their features are delineated in poetic language as follows.

Origin Ritual Leader
 pierces the sky to make a gap
 cuts the earth to make a hole
 does not move the location even a bit
 does not leave the place even a bit
 Great Ritual Leader
 great and high
 calls in a great voice
 announces in a high tone
 your mouth is big
 because Origin Ritual Leader tears
 your tongue is long
 because Origin Ritual Leader pulls
 assist Origin Ritual Leader's mouth
 support Origin Ritual Leader's tongue
 do not be arbitrary
 do not make selfish decisions
 treat guests with a roll of tobacco
 serve guests with a quid of betel
 do be able to reach
 do be competent to gain
 answer to people
 meet with people
 do not let your mouth shiver
 do not let your tongue tremble
 while Origin Ritual Leader eats
 do not sit with your side to him
 while the *laki* relishes
 do not sit with your back to him
 carry things on your head
 without inclining your head
 carry things on your shoulder
 without bending your shoulder
 level head

mosa laki pu'u
koré liru mboré
teka tana bega
se kélé, iwa ngée
se la'é iwa lake
mosa laki ria béwa
ria béwa
pai ria
niu béwa
wiwi kau ria
mosa laki wira
lema kau béwa
mosa laki ésa
pidi wiwi laki
lapi lema onnga
ma'é nara ngai
ma'é uku lubu
soro mbako woro
pada nata ma'a
gepa gena
ngawi sai
talú repa sambu
tewa repa rega
wiwi ma'é bidi
lema ma'é leli
laki néa kaa
iwa rewa kiri kemo
laki néa pesa
iwa rewa péké longgo
su'u
ma'é sélé kolo
wangga
ma'é bénga wara
kolo detu

flat shoulder	<i>wara ndéna</i>
if your head is inclined	<i>su'u sélé rewa kolo</i>
if your shoulder is bent	<i>wangga bénga rewa wara</i>
your power will be taken back	<i>wiki wola</i>
your status will be returned	<i>medi walo</i>
your mouth is not big	<i>kau wiwi ria iwa</i>
your tongue is not long yet	<i>kau lema béwa la'é</i>

Although 30 years of colonial rule and 60 years since independence have passed, Wolosoko people regard their tradition as the core of their values and identity. The traditional ritual-polity system is very discursive and performance-dependent, and has not been frozen into texts for circulation like colonial or postcolonial knowledge.

Their lifeworld is rooted in the ritual-polity. The administrative system has been peripheral to their lifeworld. Until now, even after decentralization, the role of the heads of *desa* have been limited to being mediators between regional governments and the lifeworld.

The people's relationships in the lifeworld are also penetrated by the paradoxical and complementary principle that power and prosperity are owed to their respective "source" people, usually in a certain genealogical relation. These relationships are neither hierarchical nor oppressive. Wolosoko people are "democratic" in their own way. Their lifeworld is ontologically rooted in the rite-religious sphere, endogenous "democracy" and "autonomy."

The regional administration law enacted in 1999 guarantees regional autonomy and empowerment, and postulates that an administrative village should be based on its respective *adat* (custom, tradition, culture). Accordingly, concerns about their own culture have become elevated in Flores as in all other regions in Indonesia. The Ende Regency government in central Flores started to enact ordinances in 2000 in order to reform its administration. One of the ordinances aims to protect and cultivate local cultures on the basis of recognition that they have been endangered.

In 2002, according to the instruction of the Ende regent, the Department of Village Empowerment together with administrative village heads conducted surveys about customs, especially customary chiefs, their status, roles, genealogies and domains (Sugishima 2006). Sugishima points out how resilient and adaptable customs have been in Lise, which is not far from the Wolosoko area, by exploring historical documents and oral history. By so doing he criticizes the notion that local cultures have been endangered and argues that this is far from the reality.

There has been another favorable condition for endogenous autonomy in Flores. Catholic churches have been the most influential in effecting mod-

ernization in Flores since the early 1920s. In general they have been positive about practices of local customs, including ancestor worship and beliefs in various spirits. Catholic-enculturation policies since the Vatican Council II in 1964 have encouraged local cultures and Catholic churches to accommodate local customs and practices. Furthermore, the Society of Divine Words, the main body of Catholic missionaries in Flores, adopted enculturation policies since its foundation in 1875 (Tule 2004).

Against this background, Wolosoko people have enjoyed living in their democratic and autonomous lifeworld that is rooted in the ritual-polity. While their consciousness about their own ritual-polity and its culture used to be aroused mainly by the presence of other ritual-polities in the vicinity in the 1980s, it is now aroused often through the modern objectification of their own cultures in national contexts. Generally, differences exist in perspective towards their own ritual-polity, between the younger generation and the older generation, as well as between those who have had long experience of working as government officers and those who have stayed in the area as agriculturalists. The younger generation and (ex-)government officers tend to objectify their tradition more than the older generation and agriculturalists. While modern democracy is affinitive to the former, endogenous democracy is to the latter.

3.5.2.3 Miscarried Nationalization and Entangling Democratization

Men who are native to the mountainous area but now live in towns started to influence and interfere in their native ritual-polity in the late 1990s. In December 1992, a devastating earthquake hit Flores Island. All buildings of Wolosoko ritual-polity such as ritual houses, alters and tombs collapsed. They were temporarily rebuilt soon after the earthquake. Mr. Niko, originating from Wolosoko, the head of the Directorate for Highway Construction and Maintenance (*Bina Marga*) of Mangarai Regency in western Flores, decided to organize a committee to rebuild stable and authentic buildings in the ritual-village. In order to raise funds, he wrote a proposal in the Indonesian language in December 1997. Copies were submitted not only to the heads of various government offices, seven offices at the level of the the regency, one at the level of the district and four *desa*, but also to ritual leaders of six other ritual-polities. The proposal was comprised of 32 pages, including eight pages of explanation of the significance of the proposal, eight pages of tables of detailed calculations of expenses including labor, five pages of photos, and two larger pages of plans. This was the first time that the ritual-polity was objectified in this manner.

The proposal explains the importance of the reconstruction in relation to Indonesian nation-state policies, by referring to National Guidelines

(GBHN), Five Fundamental Principles (*Pancasila*), National Principles for Development (*Hakekat Pembangunan Nasional*), National Policy for the Unity and Cultural Diversity (*Bhineka Tunggal Ika*), the Constitution (*Undang Undang Dasar*) among others. The tradition (*tradisi*) represented by the buildings is valued as part of the national culture. The proposal asserts that people's participation in reconstruction will help them to nurture not only modern values such as an industrious spirit, discipline and technology but also "traditional" values such as respect for elder people and ancestors, and knowledge about their own tradition.

Although the head of *Bina Marga* spent a lot of money and offered much rice in order to organize the committee, this plan has been left unrealized because the ritual leaders and other people of Wolosoko were resistant and reluctant. In this instance, the accommodation of modern national values to local values was unsuccessful. Wolosoko people found the relationship with Mr. Niko awkward. They were also dissatisfied with relations with the nation-state by complaining not only about the contents but also about procedures and forms of the proposal. They might have thought that it would undermine their endogenous autonomy and democracy.

While the fall of the centralized authoritarian administration represented a critical turning point for the central and regional governments, its influence on the lifeworld in the mountainous terrain of central Flores was not significant. It seems, however, that the number of Wolosoko people who have a positive view of the accommodation of modern values to the ritual-polity is gradually increasing since the mid 1990s. Data from my fieldwork since the outset of decentralization indicates that the political climate of decentralization is compatible with this change.

The following incidents exemplify the accommodation in concrete terms. In 2002, some ritual leaders insisted that their roles were similar to those of government administrators, while in the 1980s ritual leaders' roles were compared to those of "mother." Mother (*iné*) is one of the words and concepts meaning "source," as is the case with female ritual leaders. In 2000, ritual leaders decided that the most important ritual called Great Ritual would be held in the second week of September. Since then it has been performed every year according to the modern calendar. Before 1999, Origin Ritual Leader together with some other ritual leaders decided the date and schedule for Great Ritual every year by considering the people's readiness and revelations. Great Ritual was a privileged arena for prestige contestation among ritual leaders. Any ritual leader who had felt his prestige had been damaged could stop the process of Great Ritual by not performing his part. Ritual leaders now give priority to the regular performance over unpredictable prestige contestation. While the carrying out of the Great Ritual still contains revelatory practices, many people now insist that

rituals must be carried out precisely according to the “right scenario.” This overt change seems to be rooted in covert and fundamental changes in their existential and moral sphere. Accordingly, the carrying out of Great Ritual has gradually been transformed from irreplaceable existential experiences to regulated performances.

When Mr. Niko started to play a lesser role in the Wolosoko lifeworld, Mr. Seba appeared. Mr. Seba in his fifties, a Wolosoko native who once disappeared from the horizon of the Wolosoko lifeworld for about 30 years. He came back to the regency town sometime in the late 1990s and became a member of the Regency Legislative Assembly. He now has a strong intention to influence the Wolosoko ritual-polity. He encouraged some Wolosoko men to organize a committee to protect and develop their Great Ritual as prestige and tourism resources. Not many people listened to Mr. Seba. A couple of Wolosoko men under the auspices of the committee worked with money given by Mr. Seba to document Great Ritual. They themselves took pictures in 2002 and hired a commercial DVD maker in Ende in 2006.

Mr. Seba sometimes came to the Wolosoko ritual-village to assemble ritual leaders and encourage them to demonstrate Wolosoko’s prestige to the regional and national governments. While some Wolosoko ritual leaders feel very suspicious about his purpose, many Wolosoko people came to perceive the Wolosoko ritual-village and Great Ritual not as a “source” but as a resource, as he intended.

In 2006, I witnessed a striking change. Ritual leaders often got together to discuss important issues of ritual-polity including conflict resolution. In such gatherings in the past, they used the indigenous language. Poetic language was highly appreciated and venerated. There was no chairman. Female ritual leaders often attended and made witty remarks in poetic language. They played very important roles in the meetings. The opening and closing were not clear. I attended one of ritual leaders’ gatherings in 2006. One of the ritual leaders played the role of chairman. Only the Indonesian language was used, therefore there was no indigenous poetic language. Before speaking, one must raise his hand. No female ritual leaders attended. Some leaders had opened a bank account recently under the name of all the ritual leaders. One old leader in charge reported the balance with notes that he made with his nephew who had graduated from high school.

The gathering imitated the meetings at government offices. It seems that Mr. Seba, who is not fluent in the local language, recommended using Indonesian in the ritual leaders’ gathering. In short, however, it did not work well. It excluded all male and female leaders who were not skillful at speaking Indonesian. In speaking Indonesian, they could not touch very in-

trinsic moral issues which could only be expressed by the indigenous language.

A case of conflict was reported in the assembly. A ritual leader who was accused of misconduct was not satisfied with the discussion and left the assembly. In addition, because the report of the financial balance and related notes were only confusing, many ritual leaders could not stand it and left. Therefore conflicts in their lifeworld could not be reconciled properly. According to traditional morality, calculation must be avoided in faith relationships like the relationship in Great Ritual. A ritual leader who left the assembly before its closing suspected that a group of people related to Mr. Seba pulled strings in the introduction of this form of meeting and the common bank account for their personal motives.

The nationalization of ritual-polity promoted by Mr. Niko was unsuccessful. The transformation of the ritual leaders' assembly into a form which Mr. Seba thinks is democratic has not been successful. To Mr. Seba's eyes, the financial report based on the balance of the bank account was compatible with the administrative transparency stipulated in the national reformation. It only confused all the participants. The implementation of decentralization might have favored not Mr. Niko but Mr. Seba, a member of the Regency Legislative Assembly, to be the main agent for realizing administrative democratization and commoditization of the ritual-polity. Although the democratization that he tried to introduce was absurd, why did not ritual leaders who attended the assembly refuse to speak in Indonesian, raise an index finger, or have a chairman? Why did not anybody prevent the opening of the Wolosoko bank account, although many people felt something was wrong? It is not only because they were influenced by a member of the Regency Legislative Assembly in the age of decentralization but also because many people are gradually becoming involved in the hegemony of the national and global value system. It takes for granted the parliamentary assembly and financial reports on the one hand, and ignores the Wolosoko value system. Many other significant changes, such as regulating the ritual schedule to the national calendar, and the dramatization and commoditization of Great Ritual, occurred simultaneously under national and global hegemonic influence.

3.6 Concluding Remarks: Partnership in Reciprocal Translation for Our Better Lifeworld

Matsui maintains that the current process of decentralization and democratization is a learning process for local people, regional governments and

the central government of Indonesia for better nation building (Matsui 2002: 233-235). In the process of designing the decentralization measures, Indonesian and foreign researchers worked together (Matsui 2005: 5). Along the same line, I hope that indigenous researchers will also contribute to reciprocal translation, together with Indonesian and foreign researchers, of value systems of global agencies, the central government, regional governments and the local lifeworld.

In order to accomplish better understanding especially from the local lifeworld's perspective, two points must be attended to. One is partnership and the other is to prevent the knowledge from becoming a hegemonic apparatus like colonial and postcolonial knowledge. If we look at the relationships among global agencies, the central government, regional governments and local societies, the global and central entities are prone to be hegemonic to the latter. If researchers join in the relationships, they might tend to identify themselves with the former. This is because they are not aware that even research can be hegemonic. Reciprocal understanding entails a partnership emancipated from hegemonic tendencies. Scholars who conduct research and write reports, articles, and books must make efforts to prevent them from becoming an apparatus for hegemony. These two points are important not only for the lifeworld in the peripheral areas in a developing country but also for developed countries and the global agencies, which may lack moral and existential roots.

In Central Flores, indigenous linguists and anthropologists have an understanding through dialog with people for the mutual translation of cultures. These efforts have gradually taken concrete forms. Several anthropologists, linguists and historians from Flores have conducted research and written three books, two on the culture of central Flores (Mbate and Wake2006) and the other on the history of Ende (Soenaryo et al. 2006). They were published by the Department of Education and Culture in Ende Regency. The Department plans to use these books for education at schools in central Flores. The relationship between those scholars and local men of wisdom might be called a partnership. Whether or not these books become an apparatus for hegemony depends on how the actors will relate to each other from now on.

As an anthropologist working for more than 27 years on Flores, I would like to contribute to the reciprocal translation among those actors by keeping the two points in mind. I hope this chapter can be part of such a contribution.

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4 Redesigning Local Governance in India: Lessons from the Kerala Experiment

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Studies on the Kerala model of development attribute its widely acclaimed achievements in human development, realized as they were in spite of the region's development deficit, to the legacy of "public action" (Dreaze and Sen 1989; Franke and Chasin 1992; Ramachandran 1996). The experiment of democratic decentralization launched in the mode of a People's Campaign in 1996 represents a certain continuity in this history of democratization of Kerala society.¹ The essence of democratic decentralization is to deepen democracy by augmenting the space for "public action" and peoples' participation in governance, in general, and planning, in particular. The Campaign was initiated by the left front government with a historical decision to devolve 35 to 40% of the state's plan funds to the local governments.² The local governments were given the right to use grant-in-aid, and resources mobilized locally, for formulating and implementing local development plans. The process and outcomes of the experiment in Kerala vary significantly among local governments (LGs) belonging to the same level/tier, across different tiers, between regions, and across different development sectors. The LGs in Kerala, therefore, have become interesting sites for studies on participatory local-level planning (Bandhopadyaya 1997; Franke and Chasin 1997; Isaac Thomas and Franke 2000). (While

¹ The new experiment of democratic decentralization cannot be traced to the same kind of popular pressure from below as in the case of land reforms and other such progressive initiatives. There has not been major struggle or mobilization of the people to realize participatory decentralization. But, it has been for long a prominent slogan and electoral promise of almost every political party in the state, which indirectly reflect the public opinion in favor of participatory decentralization.

² The state is administratively divided into 14 districts, 61 *taluks*, 152 blocks and 1,452 revenue villages. As for the LGs, Kerala has 990 Village *Panchayats*, 152 Block *Panchayats* and 14 District *Panchayats*, besides 53 Municipalities and 5 City Corporations in the urban area.

the term “local self governments” (LSGs) is legally correct, this chapter uses the term “local governments” (LGs) as a more conventional expression.)

The decade of the 1990s was a honeymoon period for the idea of participatory decentralization, when most agencies, including multilateral funding agencies, governments, non-governmental organizations (NGOs), as well as intellectuals took an uncritical approach focusing mostly on its benign dimensions. But, the experience accumulated over the past decade or so in different parts of the world solicits a more balanced approach towards participatory decentralized planning. The message emanating from Kerala is not too different. Participatory decentralized planning is no panacea for all economic and social problems as it was portrayed initially. The decentralization experiment revealed that it would not be wise to undermine institutions of representative democracy and centralized structures of decision-making. In fact, both democracy and efficiency of governance require coexistence of participatory and representative structures of democracy on the one hand, and centralized and decentralized structures of governance on the other. The task ahead, therefore, appears to be that of arriving at the right architecture of distribution of powers, responsibilities, and resources across different tiers of government so that the democratic state apparatus functions in the most effective manner.

A major hurdle that local-level planning encounters in Kerala is the absence of a reliable database. The statistical system, tuned as it is to the requirements of the centralized system, provides data on a large number of variables at district, state, and national levels, but hardly anything at levels below the district. Obviously, an analysis of the local plans will also encounter the same problem of paucity of reliable data. For the present study, therefore, we supplement the data available from secondary sources with data collected through a sample survey of *grampanchayats*.³ (*Panchayats* generally mean rural local governments and *grampanchayats* are village level local governments in India.)

4.1 Background for Local Government System

Local governments in India have a fairly long, drawn out history. Even if the claims of the nationalist scholars, tracing representative local governance to ancient India are rejected, the legacy of colonial rule cannot be

³ For the present study we have made extensive use of the data from a primary survey of 72 *panchayats* undertaken as part of a research project in Centre for Development Studies during 2002. For details see Chaudhuri et al. (2004).

overlooked. The colonial rulers, in order to manufacture consent for their rule, especially since Lord Ripon's resolution on local governments in 1882, took initiative for establishing local governments at village and district levels with elected and nominated members. It, however, took more than a decade after independence for the modernizing state in free India to recognize the need for resurrecting the local bodies. The appointment of the Balwantrai Mehta committee in 1957 was intended to strengthen the local bodies. The first generation local governments, established as a result, were conceived as agencies to ensure participation of people in development projects. But, this dimension of self-governance was absent in the design of the institutional structure. The second-generation local governments of Bengal and Karnataka were a response to the Ashok Mehta committee's report, which came out in 1978, with far reaching suggestions including central legislation, party based elections, and an integrated three-tier local government system. Even though the experience of the experiments in Karnataka and Bengal were encouraging, there was hardly any follow up at the central level. The bills introduced to amend the Constitution in 1989 could not be enacted. It was the Seventy-third and Seventy-fourth Amendments to the Constitution of India, which came into force in 1993, that revived the efforts at deepening democracy by strengthening *Panchayat Raj* (rural local government) and *Nagarapalika* (urban) institutions.

Even though the Seventy-third and Seventy-fourth Amendments marked a break in the history of LGs by setting broad contours of a more democratic and equitable system of local governance, they left most of the details of the new system to be taken care of by the state governments. Therefore, the systems of LGs, which have come into being in the post 1993 period, differ significantly across the states. In this paper, we do not attempt a comprehensive survey of the changes since the Amendments across the Indian states. Instead we focus on the Kerala State for a detailed case study of the impact of the Constitutional changes. Kerala is selected for two important reasons. First, as stated at the outset, it has a widely acclaimed history of public action for democratization. Second, Kerala has been significantly ahead of other states in implementing the recommendations of the Seventy-third and Seventy-fourth Amendments, not only in letter but also in spirit.

Kerala has a fairly long, drawn out legislative history in local governance. During the post independence period there were several attempts to put in place a genuine system of local governments. None of these, however, could leave a lasting impact. It was the Seventy-third and Seventy-fourth Amendments to the Constitution that revived the efforts at deepening democracy. As a follow up measure, the Kerala Panchayat Raj Act

1994 and the Kerala Municipality Act 1994 were enacted in the State. The 1994 Acts were amended in 1999 mainly to give more autonomy to the local bodies by reducing the state government's power to interfere and regulate local governments (Kerala 1997).

The development administration in the state until 1996 was highly centralized with its characteristic top-down approach. It was the line departments of the state government which formulated the plan projects. Implementation of development projects was also the prerogative of the line departments. In most cases the people were not accorded any role, even at the implementation stage, not to speak of project formulation. The alienation of the people from planning and implementation of development programs had many adverse consequences. The development programs tended to be less sensitive to the felt needs or development problems of the people; and they failed to take into account local specificities. Lack of involvement of people resulted in widespread corruption and poor maintenance of assets. Another important limitation was departmentalism, a term used to represent lack of coordination and integration of activities of the line departments.

The launching of the ninth five-year plan, in 1997/98, facilitated a major shift in the above scenario. The plan was comprised of two components; the state-level plan to be implemented through the line departments, and the local-level plan to be formulated and implemented by the local governments. The state level plan was supposed to take up general development problems, requiring centralized planning, mobilization of resources and implementation, such as power generation, state highways, higher education, etc. Local plans were supposed to address problems wherein local specificities and direct participation of the people are of importance.

Table 4.1 Total plan grants to LGs (Rs. Millions)

	1997-98	1998-99	1999-00	2000-01
State Plan Size	28,550	31,000	32,501	35,350
Village Panchayat	5,069	6,146	6,393	6,364
Block Panchayat	3,872	2,325	2,005	1,846
District Panchayat	1,889	1,706	1,697	1,667
Municipality	153	1,017	895	980
Corporation	138	585	443	567
LGI Total	11,120	11,780	11,434	11,424
LGI Share in State Plan (%)	38.95	38.00	35.10	32.32

Source: State Finance Commission 2001: Part-I.

Interestingly enough, the LGs in Kerala, when compared to most other states in India, already had a higher level of fiscal autonomy even prior to the decentralization experiment in 1996. *Grampanchayats*, for instance, were levying a variety of taxes, including those on property, profession and entertainment, besides receiving revenues from certain important taxes levied by the state government. What the decentralization did was to improve fiscal autonomy several fold. Before the ninth five-year plan, their own resources were barely sufficient to meet the establishment costs and expenses on obligatory duties such as sanitation, drainage, and street lighting. The surplus, if any, was spent mostly on village roads. This explained the background of lack of visibility of LGs in the sphere of development planning. With the ninth plan, grant-in-aid made a big difference not only because of its sheer size, but also for the important reason that it was earmarked entirely for development/plan expenditure.

An important limitation of the centralized system of planning was absence of efforts to horizontally integrate development activities undertaken by various agencies including the line departments. A major reason for this, and hence growth of departmentalism, was the absence of genuine democratic institutions of self-governance at levels below the state. The Seventy-third and Seventy-fourth Constitutional Amendments and the state level Acts filled this void by strengthening the institutions of local governance. The LGs were to become a coordinating and integrating interface between different development agencies. However, according to the Kerala Acts 1994 (as amended in 1999) the local governments belonging to higher tiers do not have any hierarchical control over the lower tiers (see Fig. 4.1). In order to ensure co-ordination among different local governments in a district, the Acts provide for a District Planning Committee (DPC). The DPC was expected to support the task of integration, vertical as well as horizontal. The prospective plan of the district prepared by the DPC was conceived as the guiding document for coordination and integration.

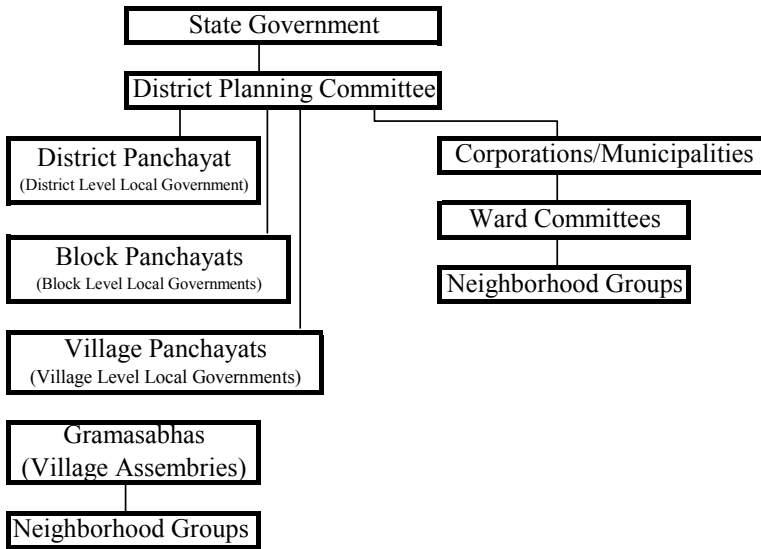


Fig. 4.1 Kerala: local governance structure

4.2 Methodology of Participatory Planning

An important contribution of the Kerala experiment is the methodology of participatory planning (Isaac Thomas and Harilal 1997). It is one thing to theorize on the virtues of participatory planning, and quite another to successfully experiment with it on ground. Planning is generally taken as a visionary expert's job. How are the local people going to plan on their own? The following is a stylized presentation of the participatory methodologies evolved for each stage in the planning process. It needs to be emphasized here that the methodology has been evolving over time and continues to change even now.

An important initial step is identification of development problems/needs of the local people. It is achieved through discussions at *gram-sabhas* (village assemblies). To ensure maximum participation in *gram-sabhas*, especially of women and socially and economically backward sections, various campaign methods are innovated by the *panchayats*. The role of *gramsabhas*, however, is not restricted to identification of development needs. *Gramsabha* meetings are convened to involve people in

other aspects of planning as well, including selection of beneficiaries and social auditing.

The key event of the second phase is the development seminar at *panchayat* or municipal levels. It is in the seminar that tentative solutions for various problems identified at *gramsabhas*/ward conventions are reached through discussion among people's representatives selected by the *gramsabhas*, members of *panchayat samithi*, local political leaders, key officials of the area, and experts from the locality and outside.

In the third phase the task forces convert these solutions into project/scheme proposals. The plan grant-in-aid and the estimates regarding local resources that could be mobilized set the resource limits (budget line) of the local plan. The draft plan is prepared in the fourth phase by selecting projects according to the availability of resources. The fifth phase is the preparation of plans at block and district levels. An equally important task at this stage is that of integration. Before the plan is implemented, it has to be ensured that the programs are both vertically and horizontally integrated and technically viable.

The final phase is that of implementation, monitoring and auditing. The mode of implementation differs according to the nature of the project. In the case of simple projects, implementation is done directly by the LGs through its own implementing officers. In a large number of cases the work is assigned to the committee of beneficiaries. If beneficiary committees are not coming forward, the work is contracted out. Regardless of the mode of implementation, transparency norms are insisted on to encourage public involvement and vigilance. In the case of individual beneficiary projects, beneficiaries are to be selected only through the *gramsabhas*. As for auditing, apart from engaging government auditing agencies, reporting of accounts in the *gramsabhas* is mandatory.

The local plans involve development projects requiring a considerable amount of technical input at different stages starting from project formulation, preparation of estimates, implementation, and measurement and supervision. The LGs lack sufficient technical staff to take care of all these tasks. Technical Expert Committees were therefore set up at block (BLEC), district (DLEC), municipality (MLEC) and state levels (SLEC) consisting of serving and retired government officials and volunteers. The element of voluntarism was a crucial ingredient of the decentralization experiment in the initial years, which meant involvement of a large number of volunteers in different stages of the planning process, starting from convening of *gramsabhas* to implementation and monitoring. This model of capacity building was backed with an elaborate system of training for volunteers, officials and elected representatives at all important stages of the planning process (Isaac Thomas and Franke 2000). Needless to say, this

was facilitated by the region's history and legacy of mobilization of the people and public action mentioned at the outset.

4.3 Towards Making an Inventory of Lessons

The experiment initiated in 1996 aroused grandiose expectations among the people, but the developments at the national and international levels were soon to belie the inflated expectations. The global changes and economic reforms at the national level had severe detrimental effects on the regional economy of Kerala, especially on the goods-producing sectors. The fall in prices of agricultural products has been a major blow for the state's agricultural sector. In spite of decentralization and the participation of local people, the rural economy was subject to one of the worst distress situations in recent history. The adverse impact of the crisis had also resulted in hundreds of farmers committing suicide. The industrial sector and the employment situation have also been adversely affected. The gains of decentralized planning were no match for the losses emanating from the hostile external environment: At best they had only a cushioning effect. The changes in the external environment and its adverse impact were useful in conveying the message regarding the limits of local level participatory democracy.

Measuring the development impact of decentralization is difficult, especially with a short time lag. First, the available data is often unreliable. Most attempts at measurement have analyzed levels of public expenditure, but in the absence of established accounting practices expenditure data are unreliable. Further, expenditure and outcome are hardly the same thing. Second, the creation of local government introduces new accounting and record-gathering units, making "before" and "after" comparisons virtually impossible. Third, it is difficult to isolate the impact of local government given a range of other important variables.

4.3.1 Signs of Participation Fatigue?

It should be cautioned before analyzing the outcome variables that democratic local governance is not just a means of achieving certain goals of economic development. The approach, which emphasizes participation as an end in itself, is gaining prominence (UNDP 1993; Rehman and Rehman 1998). Personal fulfillment is an integral aspect of human development and hence participation, which allows people to realize their full potential and make their best contribution to society, should be seen as a positive result

in itself (UNDP 1993). While *gramsabhas* serve important functions, they do not directly make budgetary decisions. Development seminars and task forces, on the other hand, are deliberative bodies, which make concrete inputs into the planning and budgeting process. Because they involve substantive decision-making and require more skills, these bodies are more likely to be influenced by power relations and one might expect a drop-off in the participation of socially and economically backward sections in these bodies.

The overall participation in *gramsabhas*, measured in terms of the participation rate (participants as a percentage of total population), has declined significantly over time exhibiting clear signs of possible participation fatigue (Chaudhuri et al. 2004). In fact, the participation rate has declined even with respect to development seminars and task forces. The observed widespread decline in the rate of participation certainly is not a good sign of success of the experiment.

But, interestingly, social composition of participation appears to have improved. If in 1997, the first year of the Campaign, backward community (scheduled caste/scheduled tribes) participation was well below the average rate of the general population, in later years they were participating in greater proportions than the general population. Similarly, the participation rate of women registered some improvement, with women constituting more than 50% of all participants in the majority of *gramsabhas*. In development seminars and task forces, however, women's participation is much lower even compared to that of scheduled caste/scheduled tribes.

In addition, the following general observations on participation may be listed (Chathukulam and John 2002; Mohan Kumar 2002):

- Participation differed across regions: There were pockets of low participation.
- Participation has been generally low in urban areas.
- Participation varied across different tasks and stages of the planning process. Participation was the highest in the process of selecting beneficiaries. It was generally low in implementation and monitoring.
- The orientation of the process towards the socially and economically marginalized groups has tended to keep the affluent sections away.
- Despite formal participation, women, scheduled castes, and scheduled tribes were not in a position to assert their views. Participation of the "outliers" should improve from nominal to more substantive forms.

Declining economic coherence of local communities must be adversely affecting decentralized local community-based planning. People residing in a locality may not have much in common, compared to what they share

with people from outside the locality. The increasing intensity of social division of labor, in fact, tends to disintegrate local communities in multiple ways. Most people will be relating to most of the things in their lives with people from outside their own local community. It may be that they earn most of their income from outside, and spend most of it also outside their local community. This may be one of the reasons that dissuade people from attending the *gramsabhas* and other activities related to local level planning. Attending such activities in the locality has an opportunity cost. For many people the expected gains of participation might not match the opportunity cost of attending. This problem will be more acute when people think that the decisions of the *gramsabha* or the LG do not have much significance for them. It may be recalled here that the participation rate declines with the degree of urbanization. Here we do not rule out possible free riding. Even when citizens know that *gramsabha* decisions would have implications for their life they might abstain from participation, thinking that others would take care of collective decisions.

4.3.2 Resource Mobilization and Expenditure

Decentralized participatory planning was expected to promote local resource mobilization. Before we examine the pattern of resource mobilization, it must be noted that there has been a clear decline in the extent of devolution of resources since 1997. This is obvious from Table 4.1, which shows a small but steady decline in the share of the plan grant-in-aid to the LGs in the total plan size of the state. Incidentally, the decline is more pronounced if we take the actual disbursements, which tended to fall due to the fiscal crisis of the state.

The financial dependence of local plans on the plan grant-in-aid declined from around 77% in 1997-98 to 65% in 2000/01 (see Table 4.2). This decline, however, cannot be attributed to local resource mobilization alone. The increase in the share of sources other than plan grant-in-aid has come partly on account of state and centrally sponsored schemes. Over the years the *grampanchayats* have put in more efforts to integrate the state and centrally sponsored programs with their local development plans. There is, however, evidence to show that the *panchayats* have made some efforts to mobilize their own revenues. Even though contribution of voluntary services and beneficiary contribution (labor) have been substantial, our estimates suffer from problems related to their valuation by the investigators. The data on beneficiary funds collected by the *panchayats* are more reliable. This alone accounted for about 3.6% of the total plan expenditure at the local level. Even when we adopt a narrow definition,

which includes only own funds and beneficiary funds collected by *panchayats*, the local resource mobilization works out to be quite substantial. It ranges between 8 to 14% of the total outlay of local development plans.

The gain in additional resource mobilization for local plans is not matched by any increase in the enthusiasm to collect more local taxes. On the contrary, our evidence supports the view that devolution of resources from higher tiers had dampened the enthusiasm for tax collection. As our data for sample *panchayats* show, the rate of growth of revenue from taxes levied by the village *panchayats* has declined under the campaign (1996/97 to 1999/2000) vis-à-vis the period immediately prior to it (1991/92 to 1996/97).

The gap between the plan grant-in-aid (allocation) on the one hand, and its expenditure on the other, has been increasing over the years. As Table 4.3 shows, the percentage of grant spent has been as low as 44% in 2002-03. A main reason is the fiscal crisis of the state government and the consequent delay in making the grants available to the LGs (Kerala 2001). An even more disturbing aspect has been the lower rates of expenditure of the plan grants in the special component plans, which are oriented towards the disadvantaged sections of the society. In 2002-03, for instance, the proportion of grant for scheduled caste/scheduled tribes spent has been as low as around 35% as against 48% in the general category.

While decentralization enthusiasts believe that it would help empower the hitherto marginalized sections, the skeptics fear that the process would help only the local elite. In this regard, the decentralization program in Kerala has taken a cautious approach, for the issue of equity is not left to be decided at the local level. It is mandatory to use a part of the plan grant-in-aid for formulating special component plans for scheduled castes, and another for the tribal sub-plans. Further, from the general component of the plan grant-in-aid, 10% is to be used exclusively for women empowerment projects. The special component plans for scheduled caste, scheduled tribes and women have binding regulations that limit the freedom of local governments. However, there are widespread complaints on two counts. First, as we have seen, the gap between allocation and expenditure has been increasing alarmingly in the case of the special component plans. Second, the special component plans were particularly weak in creating sustainable income/employment generating activities. Further, in the case of women component plans, many projects included were not helpful in empowering women. For instance, projects that do not have any gender

Table 4.2 Financing local development plans (%)

	1997-98	1999-00	2000-01
Total Plan Fund	77.14	66.25	65.57
General Fund	57.03	51.82	51.82
SCP Fund	18.96	12.94	12.25
TSP Fund	1.15	1.49	1.51
State Sponsored Schemes	3.14	4.11	5.53
Central Sponsored Schemes	1.67	3.23	4.45
Own Fund	5.26	7.78	11.31
Beneficiary Fund Collected by Panchayat	3.19	3.75	2.59
Bank Loan General Projects	0.49	2.58	0.00
Bank Loan Individual Projects	0.07	0.54	0.06
Cooperative Institutions	0.34	0.00	0.19
Voluntary Service	2.56	5.29	2.58
Donation	0.09	0.04	0.07
(Purchase of materials)	0.07	0.11	0.29
Land	0.07	0.11	0.29
Beneficiary Contribution (as labor)	5.97	6.32	7.36
Total	100.00	100.00	100.00

Source: Sample Survey of grampanchayats 2002.

Table 4.3 Expenditure of plan grant-in-aid (%)

Local governments	2001-2002				2002-2003				
	General	SCP	TSP	Total	General	EFC	SCP	TSP	Total
Grama panchayats	68.27	46.27	45.94	63.25	48.06	32.59	36.32	29.16	44.56
Block panchayats	71.90	44.74	54.50	62.21	53.84	21.43	35.96	33.33	48.21
District panchayats	54.04	38.60	51.84	48.91	39.91	0.00	32.81	30.34	37.87
Municipality	64.46	35.54	25.00	59.80	54.40	36.05	23.46	25.00	46.98
Corporation	57.15	19.69	0.00	50.18	42.87	27.65	22.55	0.00	38.43
Total	65.84	42.59	49.57	59.93	48.10	32.62	34.37	30.19	44.17

Source: Economic Review, for the years in question.

bias whatsoever, such as building of bus waiting sheds, were included in the women component plans!

4.3.3 Prioritization and Resource Allocation

The pattern of prioritization in local plans is analyzed here in terms of the distribution of the grant-in-aid. According to our data for 2002 crop husbandry (8.56%), animal husbandry (3.15%), soil and water conservation (2.71%), minor irrigation (5.33%), industries (5.25%), education (4.02%),

public health (2.65%), drinking water (6.16%), sanitation (2.34%), housing (19.31%), women and child welfare (7.29%), energy (2.12%), roads and bridges (21.02%), and public buildings (3.48%) were (2002) the leading sub-sectors of the local level plans. The rest of the sub-sectors put together accounted for only about 7% of the grant-in-aid.

All the leading sub-sectors in the productive sector, viz., crop husbandry, animal husbandry, fisheries, irrigation and industries, have experienced a clear decline over time in their allocation. What the productive sector lost was gained by the service and infrastructure sectors. Housing, women and child welfare, roads and bridges, and public buildings are the sub-sectors which gained the most. In order to explain the poor performance in the productive sectors there should be more in-depth studies. But, one obvious reason, to which we shall return soon, is the absence of scale or agglomeration economies. It should be noted that the micro enterprises initiated at the local level are bound to take on competition from firms which enjoy scale and agglomeration economies.

4.3.4 Perceptions on Development Impact

To address the question of development impact, we asked our respondents to assess the extent to which services (such as health care, education, roads) and development (such as housing for the poor, support of agriculture, efforts to improve income and employment) had declined or improved with the Campaign. On all questions, respondents indicated significant improvement (Table 4.4). For every category, a large majority of respondents felt there had been improvement (either “some” or “significant”). In five out of 13 categories, over 40% of respondents felt that there had been “significant” improvement. The performance of *panchayats* was, however, not uniform across areas. The campaign’s most marked successes were in building roads, housing for the poor, and *anganawadis* (childcare centers) where almost two-thirds felt the difference was significant. In contrast, less than a fourth of respondents felt that *panchayats* had made a significant difference in economic development (employment, agricultural support and irrigation).

The evaluation of change can also be examined by the type of respondent. For all questions, a majority in all respondent categories felt there had been improvement. This is true of all categories of politicians, government officials, and civil society representatives. This suggests that the campaign generally led to robust improvement in development.

One undisputed area of tangible gains has been that of local infrastructure facilities. LGs allocated around 25% of the grant-in-aid to the infra-

Table 4.4 Respondents' perceptions of the change

	Fraction (%)of respondents who indicated:					No. of responses
	Deteriorated Significantly	Some	Not changed	Some	Improved Significantly	
Primary health care	0.3	1.2	9.1	66.1	23.4	816
Childcare and child development	0.2	0.5	1.6	36.5	61.2	825
Primary education	0.1	0.7	16.8	60.9	21.5	806
Drinking water	0.0	1.4	8.2	48.1	42.3	813
Sanitation	0.3	0.4	9.3	48.5	41.7	811
Roads	0.2	0.2	3.1	34.1	62.3	827
Irrigation facilities	0.3	1.6	13.1	61.7	23.4	811
Housing for the poor	0.1	0.5	0.8	28.3	70.3	832
Assistance to the poor	0.0	0.3	10.5	56.9	32.4	809
Support for agricultural cultivators	0.2	1.1	8.5	61.8	28.4	821
Income and employment creation	0.3	1.1	25.9	62.7	10.0	807
Income and employment for women	0.1	0.7	17.7	56.1	25.4	816
Income and employment for SCs or STs	0.3	0.6	21.1	56.9	21.2	807

Source: Sample Survey of grampanchayats 2002.

structure sector. Out of this around 20% went to local connectivity – network of roads, culverts, bridges, etc. The objective of improving the quality of services could be addressed in a more or less satisfactory manner. Many local institutions providing services, viz., schools, primary health centers, child development centers, social welfare-centers, etc. were transferred to the LGs. This gesture itself has contributed in a significant way to improve accountability of teachers, doctors, paramedical staff, social welfare workers, etc. In addition to this, LGs have formulated projects for improving the performance of such institutions focusing on quality of services. For instance, programs for improving the quality of teaching were undertaken almost everywhere in the state.

It is the productive sector that lagged behind the rest of the sectors in terms of investment (effort) as well as outcome (achievements). The achievements in agriculture and allied activities and industry leave much

to be desired. This limitation of the decentralization program, needless to say, has implications for its ability in generating sustainable employment and income opportunities. The marketing of agricultural output, particularly vegetables, has turned out to be a major problem, endangering even the sustainability of many large projects in the sector. Clearly, industry is yet another weak link. Marketing problems and intense competition from big firms, especially multinationals, constrain local level initiatives in the industrial sector. The mortality rate among industrial units initiated at the local level has been uncomfortably high. Thus, an important drawback of the decentralization program has been its failure to integrate the institution of marketing into its framework.

Another important reason for the lackluster performance of LGs in the goods production sector is the inability of the micro units established under their auspices to forge economies of scale. In economics of production, scale is a critical factor, which operates in the procurement of inputs, processing, marketing, after-sale services, etc. In the absence of scale economies the micro enterprises find it difficult to survive in the environment of open competition. This perhaps is an inherent limitation of decentralization that needs to be considered in micro level experiments.

4.4 Conclusions

The decentralized system of planning in the state has already been institutionalized by now. The new system is well backed by the Constitutional Amendments, the state Acts, approved rules and procedures, a wide variety of organizations, established conventions of methods related to local level planning, and support of the people at large. Further, a methodology of planning from below has been evolved, field-tested and institutionalized. All the LGs have been able to formulate and implement their development plans. The methodology, the essential features of which have already been institutionalized, however, needs to be improved on many counts.

The wide variation in the performance of local plans across development sectors/issues, and the observed widespread and sustained decline in participation raise doubts regarding the architecture of decentralized planning. There are many things that are beyond the control of local people and local governments. In addressing such development issues, the LGs cannot at all be left to themselves. For instance, poverty and unemployment are not necessarily local in origin. It is always better to confine the role of LGs to things that are predominantly under the influence and control of LGs. Participatory planning at the local level cannot be seen as a solution for all

problems. In dealing with problems caused or critically influenced by external factors, the LGs and local communities need extensive support, in terms of resources, ideas and other inputs from higher tiers of government. The nature of activities, and developments at national and international levels, more often than not, necessitate centralized planning and decision making at higher levels through institutions of representative democracy and coordination of lower tiers from above in pursuit of common goals.

Incidentally, the current era of globalization is characterized by a high degree of concentration and centralization of economic and political power in the hands of a handful of corporate giants, nation states, supra-national entities, and multinational institutions. While preparing to live in a world of such massive concentration of power it would not be advisable for any country to disintegrate into disparate local (micro) communities. The Kerala experience, therefore, underlines the need for coordination of LG activities so that state intervention at the local level aggregates into a meaningful whole.

Another problem related to the architecture of decentralization arises on account of adverse externalities of actions of individual LGs. For instance, development interventions by a village *Panchayat* in the upper reaches of a river can have detrimental effects on villages downstream. Intervention from higher tiers will be required in the case of problems wherein the actions of individual LGs are characterized by significant externalities affecting others.

In fact, environment planning, more often than not, would require decision-making and coordination from higher tiers. Interestingly, the present set of acts and rules in Kerala do not address this question in a satisfactory manner.

Further, declining economic coherence of local communities appears to adversely affect the idea of participatory planning, which takes geographically defined communities as the building blocks. As we have already noted, the increasing intensity of social division of labor adversely affects the coherence of “local” communities. This perhaps suggests the need to evolve broader ideas of participation.

The Kerala experiment of democratic decentralization was an attempt to augment the space for “public action” by establishing a decentralized, participatory system of planning. The experiment has proven that the scope of “public action” can be significantly increased by way of democratization of the planning process, and that the same would have favorable effects on the quality of life of the people. The review of the outcome, however, points towards several aspects of the process of participatory planning from below that need correction and overhauling. The architecture of decentralized planning in the state has many design problems. The division

of powers and responsibilities across different tiers of governance should be subjected to a rethink. The confusion over division of responsibility and power should be minimized to avoid conflicts, duplication and waste, as well as to achieve better integration of state intervention at various levels. The institutional arrangements and procedures for ensuring integration – vertical, horizontal and other dimensions of integration – should be improved. It is advisable to have top-down regulations on issues where LGs cannot be given full autonomy, either because of externalities adversely affecting others or on account of external factors, which are beyond the control of the local people and the LGs. For instance, such regulations might be necessary for ensuring inclusion of the marginalized groups. The unequal local power relations might otherwise work to the disadvantage of the marginalized.

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5 Contrasting Experiences of Decentralization in Two States in India

Chihiro Saito and Rika Kato

5.1 Introduction

As similar trends towards decentralization in the developing world became apparent in the 1990s, India enacted the Seventy-third and Seventy-fourth Constitutional Amendments in 1993. Direct elections were required in each of the three tiers of local self-government, *panchayat* (which generally mean rural local government).¹ Some of the representation came to be reserved for women and people from low-caste groups. In this way, authority principally over local infrastructure and welfare schemes was devolved in India. However, the details of the new system of local government were left to each state and therefore the systems differ significantly. In reality, the average extent of genuine functional or fiscal devolution remains low, with state bureaucrats continuing to retain control over public services in all but three or four states (Chaudhuri 2006).

This chapter looks at two states, Kerala, located at the south end of India, and Karnataka, neighboring Kerala to the north, as case studies. Both states have been regarded as pioneers in decentralization, but the systems, methods, degrees, and results of devolution between the two states differ considerably. Kerala emerged as one of the only two states to have undertaken significant devolution in the state-level index of decentralization compiled by the Eleventh Finance Commission. Karnataka came next as a state with a modest record of devolution with three other states. Karnataka was declared weak in the functional devolution of its district planning

¹ As in the previous chapter, while the term “local self governments” (LGs) is legally correct, this chapter also uses the term “local government” (LGs) as a more conventional expression.

committee and expenditure autonomy in the index, compared with Kerala (Chaudhuri 2006).

Kerala is regarded as one of the “model” states, which has succeeded in the reform of its local system through a decentralized process, as indicated in the “People’s Plan Campaign” in the 1990s. Researchers as well as practitioners have paid attention to Kerala’s success. Chapter 4 introduces the participatory planning methodology at the local level, as one of the very important contributions of the Kerala experiment. On the other hand, Karnataka undertook a significant and far-reaching devolution of functional responsibilities to the district *panchayats* during the mid-1980s, even before the constitutional amendment, but unfortunately failed to sustain the reforms. Furthermore, it appears that decentralization is now rather lagging when compared with the 1983 state act.

This chapter considers what the experiences of decentralization in two states suggest, by focusing on the differences of civil society in the two states. When examining such features, collaborative style (relations) between civil society organizations and state government emerges as an important factor which distinguishes success from failure. Civil society organizations are independent from government and market influences. They are usually established by citizens to resolve common concerns and deal with public issues based on their own judgment without being bound by government regulations or concerned with market transactions. They are also often referred to as non-governmental organizations (NGOs), non-profit organizations (NPOs) or voluntary organizations.

India is proud of its rich civil society which has approximately 1.2 million non-profit organizations, involving as many as 19.2 million people, many of whom work on a voluntary basis (Srivastava et al. 2005). When we look at the difference in civil society between the two states, development NGOs are rare in Kerala, but there are NGOs which work as volunteer agencies as well as collaborators with governments under certain conditions, such as Kerala Sastra Sahitya Parishad (KSSP). On the other hand, there are many typical NGOs in Karnataka, but many seem to act as development agents which implement projects without government intervention; in fact, they seem to be more like cooperatives. Many of them make good use of foreign aid. When considering civil society and the extent of its maturity, education levels, status of women, as well as the history and feature of decentralization, it is important to compare civil society organizations (the ways in which civil society is organized) in both states. Discussion of the particular social background which has led to participation in Kerala also provides insight for studying the necessary social conditions for functioning decentralization.

Section 2 outlines civil society in India. Section 3, after outlining the history of decentralization, focuses on civil society organizations and the partnerships with state government, through the training of women representatives elected under the reservation system in Karnataka. Section 4 looks at the partnership between civil society and governments, through the relationship between KSSP and the state government in Kerala, while section 5 draws conclusions based on comparing different experiences of decentralization in the two states.

5.2 Civil Society in India

The terms “civil society organization” and “non-profit organization” have gained currency in the literature about socio-economic development in India only recently (Srivastana et al. 2005). There are various ways to express civil society sectors in India, such as non-governmental organizations, non-profit organizations, voluntary organizations, charitable organizations, social action groups, people’s movement groups, etc. Most of the civil society sector works at the grassroots level with the communities, some providing analysis and expertise, serving as early warning mechanisms, and helping monitor and implement international agreements.

According to the first ever survey² of the size of the non-profit sector in India, as indicated in the previous section, 85% of people work on a voluntary basis. The financing of the non-profit sector is also large. It generated a sum of Indian rupee 1,790 billion (US dollar 44.7 billion) as total receipts in the year 1999-2000, which is equivalent to 7.7% of total central government expenditure on the social sector in the same year. The revenues raised by the sector have been increasing at an estimated annual rate of 10%. Out of total receipts, about 51% was derived from fees and other forms of self-generated income, and 36.1% from the government as grants and loans, and merely 7% from foreign sources.

Religious-based institutions, 30% of the non-profit sector, are predominant in numbers, which apparently shows that plenty of charity money is

² Society for Participatory Research in Asia (PRIA), a research-based NGO, conducted the sampling survey in 2000, selecting five states: West Bengal from eastern India, Maharashtra from the west, Delhi from the north, Tamil Nadu from the south, and Meghalaya in the west as a sample of a relatively small state. In estimating the percentage, consideration is given to specific factors such as the fact that there are more voluntary sector institutions in rural areas (53%) than urban areas (47%), 46.6% of the organizations in the sector are not formally registered, etc.

available for the improvement of society. The non-profit sector is also involved in community/social services as well as in education following in order of importance. However the sector seems to play a relatively smaller role in the delivery of health related services, contrary to Indian social needs considering the prevalence of malnutrition and high infant mortality.

Foreign sources, important for non-profit organizations, are strictly controlled in India. Each organization receiving foreign funds must be registered under the Foreign Contribution Regulation Act (FCRA). This act, historically, serves to check the organizations that inherited Gandhi's principles. At present, in order to ensure that foreign funds do not go to terrorist supported organizations or any such elements, the FCRA is under the auspices of the Home Ministry, and not the Finance Ministry. Registered organizations are increasing steadily, and 26,404 organizations were registered with FCRA as of 31 March 2003. Receipts of foreign contributions in the year 2002-2003 were Indian rupee 504.7 billion (US dollar 12.6 billion), a 3.58% increase over the previous year. The top recipient state was Delhi, followed by Tamil Nadu, Andra Pradesh, and Karnataka. USA was the top donor country with Indian rupee 168 billion (US dollar 4.2 billion). Sixty percent of total revenues by foreign contributions came from three countries: USA, Germany and UK.

The abbreviation of "Bottom of the Pyramid" recently has been popular (Prahalad 2005), which is a symbolic expression which looks at the population structure of developing countries as a pyramid, with a viewpoint shift, considering the huge population group that composes the bottom of the pyramid as a "new group that can enter into a market" not as a "target of charity." In the Indian context, a middle and low class population of 5 billion people would correspond to that group. Women in this category work in an informal sector. Self Employed Women's Association (SEWA) was a pioneer organization in the women's cooperative movement for women working in this informal sector, the labor movement, and the women's movement itself. The micro banking business, which is operated by women themselves, is especially well known among their activities. SEWA's activities increased in the 1980s. In the 1990s, women's mutual aid groups, called self-help groups (SHGs), have grown rapidly in the rural areas, under NGOs' support, especially in the three states of Tamil Nadu, Andra Pradesh, and Karnataka in south India. Government institutions have gradually adopted policies bridging formal bank loans to these women's groups which were formed on civil society initiatives.

A similar movement is also seen in the slum areas in the megalopolises such as Mumbai. Women street dwellers, informally squatting on public spaces such as along the sides of streets and railways, have saved money for many years under NGOs' support. Now, they have started to build co-

operative houses (apartments), using their savings as collateral to get government permission to use the land, and also to get loans from the banks. This resettlement process is not sponsored by the government. The government does not construct nor provide the apartments for the “poor slum dwellers,” but the government has changed its system. It no longer provides hard infrastructures, as seen in the case in the past where squatters became the target of government initiated slum redevelopment projects. Women themselves conduct surveys, make their own resident cards, and participate in house designing, reflecting their own opinions as housewives. In addition to this process, institutionalized funds are also used for the construction itself with their own savings as security. In short, slum dwellers do not follow the protection policy provided by government or by NGOs, but the people at risk themselves participate in the resettlement and construction process on their own initiative.

There is a clear tendency that government, NGOs and people’s organizations collaborate with each other to enhance “public benefit,” making good use of the market system. In other words, government, market-based institutions and civil society are not supposed to carry development unitarily. But rather it is coming to be a new wisdom that when each institution can make good use of respective strengths, effective development is realized by creating synergy through wide-ranging collaboration of entities.

5.3 History of Decentralization and Civil Society in Karnataka

5.3.1 History of Decentralization in Karnataka

Local government in Karnataka began in 1874 when Local Fund Committees were established in each district, to organize road construction as well as other subsidized programs in Mysore State, which is now part of the larger Karnataka. But these committees were taken over by the government which was slow to react to the people’s requests, and therefore did not gain much public support. The Mysore Local Boards and Village Panchayat Act was enacted in 1918, which established the social mechanism whereby elected people could participate in local governance. After independence in 1947, the idea of representation of the people became popular. The Mysore Village Panchayat and Local Boards Act was enacted in 1959, which set up the three-tiered *panchayats* to be composed of women, members of scheduled castes (SC) and representatives elected by

the people. *Panchayats* were to have sufficient budgets and viable institutions to deal with their own regional development. However, there was neither adequate financial devolution to *panchayats*, nor was sufficient attention paid to people's participation. Karnataka Zilla Parishads, Taluk Panchayat Samithis, Mandal Panchayat and Nyaya Panchayats Act was enacted in 1983, and Karnataka became a pioneer in decentralization. One-quarter of all seats were reserved for women in district (*zilla*) and village (*gram*) *panchayat* elections. It was a turning point for women's political participation. A village local assembly of voters called *gramsabha* was required to be held twice a year. Many powers were devolved from governments to the people.

Karnataka was the first state to respond to the changes proposed in the Seventy-third and Seventy-fourth Constitutional Amendments, enacting the Karnataka Panchayati Raj Act in 1993. A village election took place in December of the same year. The Act includes the following provisions:

- 1) Establishment of three-tier *panchayats* based on population. Elections were also required at all levels.
- 2) Reservation of seats for scheduled castes (SC) and scheduled tribe (ST) in proportion to their population, and reservation of one-third of seats for women at each level, including chairperson's posts for all of them.
- 3) Envisaged set up of State Election Commission, Finance Commission, and District Planning Committee.
- 4) Devolution promised in all 29 fields, as specified in Schedule 11 of Constitution.
- 5) Function and jurisdiction of each three-tier *panchayats* were prescribed.

This Act was innovative in that it expanded the reservation system of seats to the chairperson's posts. However, decentralization moved a step backward due to the following reasons (Aziz 2000; Chaudhuri 2006). First, the administrative heads of district *panchayats* were redesignated as the chief executive officers and thus were no longer senior in rank to deputy commissioners as before. In addition, the tenure of the president and vice president of *panchayats* was reduced from five years to 20 months by the state ordinance. The ministerial status, which the previous executive heads of district *panchayats* enjoyed, was also taken away. Second, by giving rights to local institutions, these *panchayats* became merely development initiating bodies. Third, village *panchayats* do not have sufficient authority to formulate plans due to inadequate budgets and relatively unskilled personnel. Village *panchayats* now only enjoy limited authority to mobilize local resources, since their resource base was reduced from *mandal* (aver-

age population is about 8,000 to 12,000) to *gram* (population of 5,000 to 7,000).

Village *panchayats* need to be endowed with more devolved authority and funds in order to function as local governments. People's participation in decision-making is also required. In particular, village *panchyats* should be developed into administrative structures so as to be able to hire capable staff who can draw up, and implement, high quality plans. Newly-elected women are also required to show their ability and also need to develop greater awareness. The state government and NGOs provide training schemes for women representatives in this regard. Additionally, since the *gramsabha* has been a place which only recognizes the completed plan, people's participation is also decreasing. Village *panchayats* are required to look for ways in which *gramsabha* can become places for local people to organize their own regional affairs. Cooperation with NGOs is also a challenge.

Maybe low levels of education, in comparison to Kerala, is the main reason why decentralization has not worked well in Karnataka (See Table 5.1 for literacy rate). In 1991, Kerala ranked high in literacy rate: 94% for males and 86% for females. On the other hand, the literacy rate was 76% for males and 57% for females in Karnataka, which is 20% lower for males and 30% for females than that of Kerala. One of the necessary conditions for functioning decentralization is that much information can be readily shared between government and residents. The literacy rate is one of the most important indexes of effective information sharing.

On the other hand, women's eagerness to participate in politics is very high. They received slightly more than 43% of seats at village *panchayats* – a percentage which is larger than the nominal rate of reserved seats (33.3%, see Table 5.2). This suggests that women's influence in the assembly would be different depending on the extensiveness of their representation. When women barely constitute 33%, the minimum reservation rate, it can be interpreted that it is because of the benefit of the reservation system, and no significant representation is granted to women. In contrast, if women constitute, for instance, over 40% of representation, more than 10% above the minimum requirement, it would be safe to say that reasonably influential women are elected since they can win the electoral competition. This means women's voices as a whole have become quite significant.

States such as Kerala and Karnataka are well ahead of many other states with regard to the impact on the social status of women. In these states, not only elected women representatives but also women in general enjoy better social and economic status (John 2004). Women are very much interested in local development which is closely related to their daily lives. How can

Table 5.1 Literacy rate in Karnataka and Kerala (%)

State	Total	Male	Female
Karnataka	67.04	76.29	57.45
Kerala	90.92	94.20	87.86
India	65.38	75.85	54.16

Source: Census data, Government of India, New Delhi, 2001.

Table 5.2 Representation of women in panchayats in selected states

State	Number of women elected(% of representation of women)								
	2000			2003			2005		
	GP	IP	ZP	GP	IP	ZP	GP	IP	ZP
Karnataka	35,305 (43.7)	1,343 (40.2)	335 (36.4)	35,922 (40.21)	1,375 (38.87)	339 (36.45)	39,318 (43.02)	1,519 (41.24)	373 (37.11)
Kerala	3,883 (37.8)	563 (36.3)	104 (34.6)	4,801 (36.21)	629 (38.4)	105 (34.2)	6,125 (37.95)	725 (36.18)	129 (36.58)
Andhra Pradesh	78,000 (33.8)	5,420 (37.0)	363 (33.2)	68,736 (24.81)	4,919 (25.17)	364 (24.94)			
Assam	5,469 (18.0)	669 (25.8)	NA	7,851 (33.45)	746 (34.73)	117 (30.0)			
Tamil Nadu	32,795 (33.6)	2,295 (35.3)	225 (34.7)	26,181 (26.86)	1,770 (26.94)	173 (26.37)			
West Bengal	17,907 (35.5)	3,015 (35.1)	246 (34.0)	11,497 (22.46)	1,923 (22.42)	156 (21.58)			

Note: GP: Gram (village) Panchayats IP: Intermediate (block) Panchayats ZP: Zilla (district) Panchayats.

Sources: PANCHAYATI RAJ UPDATE 5, OCTOBER 2003, Local Body Polls in Kerala (2005); Women in Panachayati Raj Institutions, ISS (2006).

women demonstrate their united power? Would it be helpful to improve the functioning of decentralization policy? To increase the effectiveness of women's political participation, training is required which gives them knowledge and self-confidence. This sort of training is required not only for governments but also for NGOs.

5.3.2 Civil Society Organizations and Partnership with State Government in Karnataka

This section looks at civil society organizations in Karnataka and the partnerships with state government, through the training for women representatives elected under the reservation system.

First, let's look at civil society organizations in Karnataka. It is said that the voluntary sector came into being in the beginning of 19th century in Karnataka. The provision of social services, mainly started by missionaries, was fundamental among civil society organizations' activities. Then, as years passed, socially concerned people began to put emphasis on education and training in vocational skills, providing health and a range of car-

ing services. More recently counseling services, concern for the environment, legal aid, and protection for human rights have emerged. In Karnataka, as of the year 2000, 620 organizations are listed in the Voluntary Organizations Directory. Numerous NGOs are involved in rural and community development (178) and social services. There are 49 training institutions, and 180 organizations among a listed 620 are registered under the FCRA and receive foreign funds. Many of these organizations are established under the leadership of the government.

Let's look at the women representatives of *panchayats* next. More than 10 years have passed since the constitutional amendment was enacted. Women representatives who were pushed to the forefront socially have been supported by many people, including their families, but especially by the capacity-building assistance received from the government and NGOs. On the other hand, there are many women representatives who are unable to demonstrate their ability due to traditional customs such as patriarchal patterns and the caste system. Some women only speak on behalf of their family members, such as their husbands. However, in general, almost all women representatives are eager to participate in the training. They devote themselves to gaining knowledge to make full use of every possible opportunity. They tend to bond together and gain confidence in creating a good living environment by themselves.

Women representatives who have achieved remarkable results show two typical characteristics. First, they are interested in development activities, and are eager to provide the best possible public service. They give priority to improvement of health, education, water supply, and sewage facilities, and in particular they expend energy for educational facilities, and sanitation facilities such as public toilets and supply of tap water. The other characteristic is that they encourage other women's participation through organizing self-help groups (SHGs) which create additional guidance. This demonstrates the potential of women's networking as well as their solidarity, and constitutes a way to overcome the limitations of local governance which has been established mainly by men.

Search, established in 1975, is a typical NGO which provides capacity-building assistance for women representatives.³ The reason why it is called a typical NGO is that Search receives funds from four foreign donors, including a German NGO, and acts as a development agent which implements projects such as training and programs for poverty-stricken women's micro credit extension. Search began providing training for women representatives even before the government. Search has been effective in training women for empowerment and decentralization. More

³ Their website is <http://www.developmentschool.com/>

than 40,000 women representatives have participated in their training programs since 1993. Empowerment has resulted in the enhancement of local governance. Search is working in harmony with the state government, for example talking with the Department for Women and Children to select trainees. Search also cooperates with state-organized training and advises the state government.

Besides Search, there are several other examples of epoch-making training as well as provision of exchange opportunities which are provided by NGOs. An exchange program for women representatives of village *panchayats*, aiming for the grassroots empowerment of women representatives who can then exchange knowledge and learn from each other, is one example. Under this program, 100 selected women representatives from village *panchayats* in Kerala formed small groups and visited village *panchayats* in Karnataka to express and exchange opinions, and similarly 100 women representatives visited from Karnataka to Kerala. Women's Political Empowerment Day celebrations organized by the Institute of Social Science (ISS), an NGO, annually since 1994, also provides women representatives who play active roles as local leaders valuable opportunities to exchange opinions. However, these activities are independently organized by each NGO which is limited financially as well as politically. In reality, NGOs can only heighten awareness among *panchayat* members and state government officials, but NGOs have no power to change the system of local government.

On the other hand, the Karnataka state government has realized that local governance is declining so they have used significant subsidies from the national government, and launched a distance learning program, Satellite based Communication Training (SATCOM) in 2002, in recognition of the need for empowerment of elected representatives. Abdul Nazir Sab State Institute for Rural Development (ANSSIRD), a state organized training center in Mysore, is in charge of this training. It is an epoch-making training program which connects villages and the SATCOM center in ANSSIRD by means of a communication satellite, in addition to face to face training on the ground. This satellite system is meant to supplement the participatory training offered on the ground, where well-trained resource persons (306 people in 102 teams, as of 2005) who are dispatched mainly from NGOs provide the training programs. The first training course was provided from November 2002 to June 2003, with 18,207 representatives from 1,310 village *panchayats* in 44 blocks, participating in the sessions. The second training course was held from September 2003 to March 2004, with the participation of 61,667 representatives from 4,339 village *panchyats* of 131 blocks. Since the total number of elected representatives is now about 90,000 in Karnataka, this represents a high participation rate.

Kerala Institute of Local Administration (KILA), the Kerala state organized training center, faces problems of low participation rates because of its remote location. However, satellite training has the advantage of being available to participants while they remain in their villages. Women who have difficulty being away from home, can also participate easily. SATCOM training is considered a good model and several states are planning to introduce it with the support of the national government.

In this SATCOM training, we can see the feature of local governance in Karnataka, which means that the effort of decentralization is attempted in a top-town manner. State government, keeping the authority and budget, tries to mobilize local governments as well as NGOs to participate in the program which was designed by the state government. The state government also makes good use of the hierarchy among *panchayats*. For instance, the training for the representatives of village *panchayats* has been left to the block *panchayats*. Many of the participants' opinions, expressed during the training, were requests for a further devolution of authority from upper *panchayats* and line departments of state government, reflecting their complaints on the budget allotment rates among the three tiers of *panchayats*, and the departmentalism of the state government. SATCOM is an effective training program in which a partnership between the government and NGOs achieved good results. However, there is a tendency whereby the government favors only those NGOs which are easy to use. How the government and NGOs can build up an equal relationship and function as real partners is an important problem to be solved. Besides, what the government should do for the enhancement of general awareness of *panchayat* members and people in general, and how to expand the scope of public action, are issues to be dealt with by functioning decentralization.

5.4 Collaboration with Civil Organizations and Government in Kerala

First, let's outline the modern history of Kerala. The State of Kerala was formed in 1956 with the merger of three local regions with the same language. In the south were the two princely states of Cochin and Travancore, and to the north was an area called Malabar, a colony of England. The two princely states were influenced by Christian missionary activities in the middle of 1800s, and importance was attached to the school system for public education. They were proud of the female literacy rate of 5% (5 to 8 times higher than the average rate in India), at the beginning of 20th century. Even on an international scale, this was a comparatively high rate. At

the same time, the Caste Community Movement aiming at social improvements for lower caste citizens also expanded. In particular the Sri Narayana Movement for the Ezawa, (lower caste), made a great impact.

Strikes, calling for improvements in conditions of tenant farmers, grew in the 1920s, especially in Malabar. The Poor Farmers' Union was organized in the 1930s. Tenant farmer strikes increased in the 1950s and 1960s. As a result, the movement led to the Kerala Land Reform which became well known worldwide. The movement had aspects not only of the tenant farmer strikes, but also of anti-caste discrimination strikes. Linked with this, village library activities became increasingly active. "Library" was not only a place to borrow books, but it was also a place for people's "conscientization." In India, newspapers have large circulations with English and Hindi as the main two languages. The third largest circulation of newspapers in all India is in the local language, Malayalam, a language spoken by only 3% of the population. This is a result of the very high literacy rates in Kerala.

Other interesting research studies have shown that the area with the largest number of local finance institutions in India during the 1940s was in the area where Kerala is now located. In addition to the organization of poor farmers, other union institutions such as labor unions and cooperatives have been increasing their activities in Kerala (Heller 2000). Social capital is a concept made famous by a book by Robert D. Putnam (Putnam 1993). Simply put, a network of trustful people is considered another form of capital that generates a stream of benefits. Kerala has a rich accumulation of social capital which may have restricted the economic development initiated by big business. Conversely, rapid industrial development tends to inhibit the formation of social capital. It is said that rapid economic growth is promoted more in "apolitical" societies which have development dictatorships. However, Kerala has taken the opposite direction, with citizen's politics perhaps being too strong to enable the government to pursue untrammelled economic development.

The Kerala model's limitations have been pointed out from an early stage. Especially limiting is the lack of employment creation for highly-educated youth. According to an analysis of the state tax revenue structure in India, only state domestic product (SDP) per capita has a positive correlation with state tax revenue. SDP per capita in Kerala in the 1980s was lower than the Indian average and generally faces a financial crisis. Ultimately, the Kerala model is not sustainable. Remittances from migrant workers in the Gulf countries have so far compensated for the weak state economy. Recently, measures are being taken to boost revenue through the tourism industry, but Kerala is in a difficult situation with numerous problems to solve. However, by utilizing the capability of civil society as well

as citizens' politics to the fullest, the state is making every effort to maximize the limited local resources through people's participation.

As indicated in the first section, Kerala is considered to be ahead of other states in India in local government reform. This section focuses on the relationship between civil organizations (such as NGOs) and the government. What factors promote people-initiated development effectively? With this question in mind, the decentralization process in Kerala will be examined. Development policy and institutions within the framework of Kerala's decentralization involve the participation and collaboration of large numbers of citizen-volunteers. Participation and collaboration means citizen's mobilization at the local level in terms of motivating, assessments of project viability by specialists, and training for both government officials and elected representatives. One of the characteristics of Kerala's decentralization is that the government neither implements these activities alone nor entrusts them to NGOs. All citizens are encouraged to participate in these activities.

An interesting point here is that so-called development NGOs, which act as development agencies implementing development programs independent of government, are rare in Kerala. There are a few NGOs acting as development agents, but there are social organizations (which can be called NGOs) that may function on a voluntary basis, as described above, or sometimes as a collaborator with government in Kerala. Kerala Sastra Sahitya Parishad (KSSP), with more than 40,000 members throughout the state, is typical of such a social organization.

Further study of the KSSP reveals that it was set up in 1962 by a group of local teachers and researchers who were influenced by Gandhi's thoughts on Indian independence, and also by the Marxist-Leninist fight for equality and poverty reduction aiming for "popularization of science" in both the school system and society as a whole. Publishing a science magazine in Malayalam language was among its first activities. Later, the publication of similar magazines in other local languages spread throughout India. Magazine sales have been an important source of revenue for the KSSP. Education and Environmental issues constitute its main activities. KSSP strongly promotes opposition to government policy if it is against the public interest. However, KSSP not only opposes the government, but also proposes substitute ideas. Such ideas have included curriculum reform which endeavors to induce "joy of learning," and the popularization of an energy-saving kitchen stove which can save forest resources.

KSSP launched a proposal for a participatory development model through mass mobilization of volunteers in the late 1980s. It was an alternative suggestion to the top-down development programs. A typical case was the Total Literacy Campaign in which KSSP collaborated with the

state government to achieve the goal of total literacy. Between 20,000 and 30,000 volunteers in each district were involved in this campaign, with KSSP assuming responsibility for organization, adjustment, and training. The literacy plan was implemented throughout India in the 1990s, which was modeled after the Total Literacy Campaign in Kerala. Following the literacy campaign, KSSP launched the Panchayat Resources Mapping Project which was the work of citizens themselves who drew maps of soil, underground water levels, crops, etc., according to their surveys of resources. This movement became a base for the People's Plan Campaign launched in 1996/97 as Kerala's effort for decentralization.

Since then, criticism has been raised that KSPP is too close to the state government. What relationship does KSSP have with the political parties? It appears to be a subordinate organization to the communist party, but this is not so. KSSP has remained politically independent. In reality, "citizens get into the party," rather than "the party comes first." It is also true that "the party uses civil organizations well." It can be said that in Kerala, the dividing line between the communist party and local citizens is unclear. On the other hand, KSSP has taken the stance of obstinately refusing to accept foreign aid ("never receive foreign aid") as a source of funding. As previously described, KSSP does not play the role of development agent, nor as an adjunct to government, so that there is no great need for funds. KSSP usually utilizes a central government subsidy to cover research and development expenses to present alternative ideas to the state government.

Schoolteachers are prominent among active members. In most developing countries, NGOs generally receive foreign aid and implement development programs as a "substitute" for weak government. However, KSSP never adopts this line, believing that the government should be the organizer of development programs, and the role of civil organizations should be to provide pressure and suggest substitute ideas (advocacy) to the government. KSSP is willing to cooperate with the government when the direction is clear. In Kerala, people generally trust the government, and are aware of the type of government which will be in their own interests.

KSSP has been putting a great deal of effort since 2000 into an anti-privatization campaign in the field of education. As a part of this campaign, they have established the "Kerala Board of Education" in which people with various ideas are able to participate. The board has become a broad-based federation including not only the KSSP but also a teachers' union and a students' union, and also conducts participatory research. KSSP has established a presence in this federation in order to conduct a campaign. At the same time, KSSP actively pressures the government into changing its policy. For instance, 2,500 Keralan schools are recognized as "uneconomical." The minimum number of students per class is fixed at 25

children. If this number is not reached for three years in succession, the school is to be designated as an “uneconomical school.” However, many of the schools were established by local people, and transferred to the government later. Many schools are located in remote mountain villages. If these schools are closed, children will be unable to attend schools, and their opportunity of primary education will be lost. This is clearly against the Indian Constitution which guarantees fundamental human rights. In 2004, the KSSP prevailed upon the state government not to close these schools.

KSSP also implements activities to support the government, for example, by establishing the “Panchayat School Complex,” in which village *panchayats* organize and support the education system. The aim is to sustain and improve the quality of education. To achieve this goal, each *panchayat* should take responsibility as a political institution with KSSP and teachers’ organizations support with the involvement of PTAs. This system is beginning to show positive results with more than 200 *panchayats* now utilizing this system.

5.5 Comparing Experiences of the Two States

The nature of civil society organizations or the ways in which civil society is organized indicates the difference in social movements between the two states of Kerala and Karnataka. The characteristic feature of Kerala is the existence of social organizations which work as volunteer agencies as well as collaborators with governments in certain conditions, such as KSSP. Though there are some typical development NGOs which implement projects outsourced by the government, such NGOs are rare. On the other hand, many civil society organizations in Karnataka demonstrate this characteristic of typical development agents. Many NGOs in Karnataka receive foreign aid, and quite a few were established by the government and their management is dominated by government guidance.

As exemplified by the KSSP, in Kerala many people have attained a high degree of civil awareness. They are aware of a sense of local autonomy; government is created by their own efforts. This sense has been the main driving force of a series of social movements. In contrast, civil society in Karnataka has been different. Civil society in Karnataka has suffered from difficulties in organizing social movements as effectively as Kerala. There, the level of education is lower than in Kerala, as seen in the lower literacy rate. In addition, the government leadership has tended to be top-down and has not fully recognized the autonomy of civil society. In Karna-

taka, the state government has tended to keep the authority to itself, and to instruct how *panchayats* should function. This is in sharp contrast to the experience in Kerala, where the state government has handed over all authority in development to *panchayats*, which includes decision making over planning as well as funds for discretionary use by *panchayats*.

This difference in civil society can also be seen in how participation is practiced in these two states. In Kerala, participation means citizens' voluntary engagement at the local level. This participation is realized through conscious efforts of motivating and training both government officials and elected representatives. The government neither implements these activities alone nor out-sources them to NGOs. All citizens are encouraged to participate in these activities. In any state that has a high accumulation of social capital such as Kerala, people can, and often do, participate in the processes of development that affect their own lives, and also to partake in implementing the planned activities, to some extent. In such states as Kerala, local government is built up through partnerships between the local government and civil society with each party acting and influencing the other as independent entities.

On the other hand, participation is different in Karnataka. There it means that people participate in the programs which were planned and organized by governments and NGOs. Especially, the Karnataka state government attaches great importance to increasing the quality of participation as well as in the numbers of *gramsabha* where participation is institutionalized by the government. For the government, participation is to make local government function more efficiently and effectively. To achieve this goal, the state assembly passed a bill to require convening *gramsabha* four times in a year when previously it had been held twice a year up to August 2002. The local assembly of voters at the ward level was also required. However, *gramsabha* is still a place which only grants procedural recognition to the plans already made at higher levels. Thus, people's participation is not increased in a meaningful sense.

Participation in Kerala sometimes shows a similarly procedural one. As *gramsabha* has become institutionalized, the way in which participation takes place is to follow formalities and procedures. However, in Kerala, most participation represents genuine form of participation. Individuals or parties concerned can share an aim, and participate on their own initiative. It is noteworthy that 20,000 to 30,000 volunteers per district were involved in the Total Literacy Campaign in Kerala. It is apparent that to realize this kind of genuine participation as seen in Kerala, civil society has to be matured.

In Karnataka, in contrast, the situation has been different. Karnataka has been experiencing comparatively significant regional disparity as well as

social discrimination. Under such circumstances, development policies are sometimes effectively implemented by mobilization by governments and NGOs that collaborate with them. In this case, participation does not reflect the voluntary aspirations of people, but rather takes the form of adhering to the programs which were designed by outsiders such as government and NGOs. The training programs from which participants can receive benefits (such as knowledge) is a reflection of “carrots” for participation.

Then is such participation sustained? The People’s Campaign triggered the movement of mass participation by all citizens in Kerala. However, the campaign mode cannot continue for a long time. The enthusiasm of people cannot be kept alive indefinitely. Institutionalization is taking place, and the initial enthusiasm of people has faded and they are disappointed to some extent. Especially, participation in the institutionalized system such as *gramsabha* now tends to cause “fatigue” in a sense naturally when it achieves results to some extent, or when people can see the effect already taking place without attendance. But people cannot ignore the good aspects of the new system. They know that decentralization means the following: a) more authority to local governments; b) more funds for activities that may be relevant to their lives; c) freedom to formulate their own development; d) less corruption; and e) more transparency. As people engage with the government to manage public affairs, the government cannot revert to its old fashioned policy of command and control. People will not allow the state government to take away authority designated to local government.⁴

Women and minorities of SC and ST who had been excluded from the development activities are considered to have much potential to benefit from participation. In fact, Chapter 4 (in this volume) points out the participation rate of backward sections and women in *gramsabha* is increasing. Especially, women constitute more than 50% of all participants in Kerala. It also points out that despite formal participation, women, SC and ST are in difficult positions to assert their views, so that improvement of their participation in more substantial form is required. There is a need of empowering women as well as SC and ST, to be the main actors in development activities. In Kerala, 10% of the development budget for local government (40% of the state development budget), is earmarked for women. Further consideration is now being given to increasing the scope for women to demonstrate their capabilities.

In Karnataka, where women’s eagerness to participate in politics is very high, eagerness to participate in training activities is also high. Especially women representatives, who have come to bear the responsibility for development for the first time in their lives, have a high degree of motivation

⁴ Interview with Lakshmanan, KILA in 2004.

to gain knowledge by making use of every opportunity. The training activities are very important for women who have a comparatively low education level.

In Karnataka, women representatives face various problems, such as a lack of awareness and knowledge, illiteracy, fund shortages, and a culture of discrimination. Various efforts, such as training and network-building among women representatives, are being exerted to overcome these limitations. In the future they may demonstrate sufficient capability, stronger links may be forged between political institutions and woman, and people's mutual self-help activities may be further strengthened. People's participation, then, in politics as well as in development, will also be accelerated. This will result in the improvement of people's livelihood and security. Moreover, it will in turn create a favorable environment in which women representatives can show their capability. This is the process whereby a spiral effect on politico-administrative decentralization and autonomy of civil society can be realized.

From the experiences in these two states, it can be seen that local autonomy through decentralization can only be realized when all individuals and parties concerned, including women and minorities of SC and ST who had been excluded from development activities, become aware of the importance of participating on their own initiative, and consider how to enhance their ability, and take public action. This sort of critical awareness is an important foundation of the capability of civil society if it is to solve their common problems. The important lesson of decentralization in the two states is that the authority devolved from the bureaucracy to representatives of the people is only a good beginning. The real test lies in how these representatives of the people, civil society organizations such as NGOs, and state governments can mutually collaborate through equal partnerships. It can be said that only then will the capability of civil society be fully harnessed.

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6 Challenges of Moving into a Devolved Polity in Sri Lanka

Asoka Gunawardena and Weligamage D. Lakshman

6.1 Introduction

Sri Lanka, called Ceylon prior to 1972, was a colony in the British Empire for nearly a century and a half from 1802. In 1948 it re-obtained its independence as a “dominion” in the British Commonwealth of Nations with the British Queen as head of state represented in Sri Lanka by a governor general. In the Westminster style of cabinet government at the time, the head of the government was the prime minister with a cabinet of ministers selected by him/her from the parliament. The prime minister and the cabinet formed the executive arm of the government. The parliament was bicameral at the time, consisting of a popularly elected house of representatives and a senate, half of which was appointed by the government in power and the other half elected by the house of representatives. People in Sri Lanka enjoyed the right of universal adult franchise from 1931, many years before political independence. In 1972, a new Constitution was promulgated making the country a republic within the Commonwealth with its “dominion” link to the British Queen severed. The governor general was replaced by a president appointed by the parliament on the recommendation of the prime minister. The second chamber, the Senate, was abolished in 1972. The unicameral legislature was called the National State Assembly.

Once more in 1978, a constitutional change was effected. The new Constitution provided for an executive presidency, with the legislature renamed parliament. The elected president became both the head of state and head of government. Executive power was made to rest with the president, supported by a cabinet chosen by him/her from among members of parliament. This Constitution, subject to subsequent amendments, is in operation today. The president and the parliament are elected separately. The first

parliamentary elections under this Constitution were held in 1989.¹ The very Constitutional provisions and the electoral system in operation have made it almost impossible since then for strong governments to be set up commanding comfortable majorities in parliament.²

All three post-independence constitutions – those of 1947, 1972 and 1978 – have provided for a “unitary” state for the island nation, with political power concentrated in the center. The concentration of power in the center was particularly strong in the case of the 1978 Constitution, which has created an excessively powerful presidency.³ Throughout the post-independence period, there have been demands for decentralization of authority and in response to these demands steps were taken at different times to decentralize power. Decentralization discourse has been concerned with two processes – decentralization of decision making power among different levels of government and decentralization of decision making from governments to markets. Sri Lanka has moved a great deal in the latter form of decentralization through an extensive process of liberalization of the economy since 1977. This chapter is concerned with the process of decentralization⁴ of power among different levels of govern-

¹ The first parliamentary election under the 1978 Constitution was due in 1982 but the then government decided to continue with the existing parliament after winning the 1982 presidential election. The method adopted to do this, in spite of strong protests, was to win a vote in favor of continuing with the then existing parliament in a referendum. In this parliament the government had a huge majority and with the new proportional system of elections in force (see the next footnote), the government would not have been able to obtain such a large majority in parliament if a new parliamentary election were held in 1982. Hence the resort to a referendum as a devious method of avoiding new parliamentary elections.

² The electoral system in operation, also changed after the constitutional reform of 1978, is one of proportional representation. This has made it almost impossible for any one of the two major political parties to win a comfortable majority in parliament in the multi-party system that operates.

³ The architect of this Constitution and the first president under it, Mr. J. R. Jayewardene, once stated, rephrasing the famous statement of Lord Henry Herbert in 1648 that the president in the 1978 Constitution “... can do anything but make a man a woman and a woman a man” (Wikipedia undated). As no political party could win strong parliamentary majorities since the first election of 1989 under this Constitution, the excessive constitutional power of the president was substantially diluted.

⁴ Decentralization, as a mode of state organization and governance, is viewed here as incorporating several operational forms. Of these, *de-concentration* refers to the spatial relocation of central government functions in regional offices. *Delegation* involves the transfer of responsibility for decision making to semi-

ment as it evolved in Sri Lanka over the last several decades. In this discussion reference is made to two broad types of administrative divisions of the country – provinces and districts. The land area in Sri Lanka is divided into nine provinces,⁵ with each of these provinces sub-divided into districts. The total number of districts stands today at 25.

A system of district administration was developed during the period of British colonial rule to implement service delivery functions and to perform other governmental activities at the regional level. The personnel in regional administration in each district, working as agents of the central government, have been placed under the leadership of a government agent. Superimposed on this, there has been a system of local government, with a range of local authorities – municipal, urban, town and village councils. In an attempt to achieve further decentralization of decision making, a system of political authorities was created in the 1970s at the level of parliamentary electoral regions headed by elected members of parliament. The decentralized polity, however, has failed to achieve sufficient transfer of powers from the center to regions.

Extensive demands for decentralization of power and authority have emanated from this failure to achieve adequate decentralization of governance. In the context of the ethnic composition of the country's population, these demands for greater decentralization were bound to take an ethnic color. In the multi-ethnic society of Sri Lanka, the Sinhalese form the majority (74%) with two principal minority communities – Tamil (19%) and Muslim (7%).⁶ Understandably, the elected central government authority has always been dominated by the Sinhalese community. The minority communities, particularly the Tamil, have therefore spearheaded the demand for decentralization of authority in Sri Lanka.

These minority communities are scattered throughout the entire country but a greater concentration of these communities can be observed in the north and the east of the country. This provided the basis for the emer-

autonomous state organizations. *Devolution* constitutes the transfer of state authority for decision making to units of (usually elected) sub-national governments with corporate status.

⁵ The names of these nine Provinces are as follows: Western, Southern, South Eastern, Uva, Eastern, Sabaragamuwa, North Central, North Eastern and North.

⁶ These numbers are according to the data from the last complete population census (1981). A complete regional coverage was not possible in censuses or national sample surveys carried out since then due to armed conflict in northern and eastern regions since around the mid-1980s. Among the Sri Lankan Muslims, there are two ethnic groups: Malay and Moor.

gence over time of the Tamil demand for the right of “self-determination” for the country’s north and east.⁷

In response, a constitutional reform was carried out in 1987 creating a second tier of government in the form of a network of elected provincial councils (PCs). It was hoped that this network would become an effective system of power devolution. In the early stages of political evolution since independence, approximately from the late 1940s to the 1980s, solutions to issues of regional autonomy and ethnic conflict were sought within the framework of the centralized unitary constitution Sri Lanka had inherited at independence. During this period, Sri Lanka has gained valuable experience in administrative reforms toward “decentralization for development,” in which the center reached out through de-concentrated organizational networks. The current debate is about how to achieve devolution as distinguished from de-concentration.

The 1987 attempt at devolution of power is often seen as the most significant measure so far to redress the imbalances in the relationships among different ethnic groups in the country (Tiruchelvam 1996). This chapter is based on the premise that the justification for devolution derives also from considerations of effective management of development from a holistic point of view (Gunawardena 2002). The governance issue of devolution has been neglected in Sri Lanka as the relevant discourse has focused on constitutional issues of unitary vs. federal forms of government.⁸ This chapter does not delve into the issues of constitutional forms of government. The major part of it is about the provincial council (PC) system of devolution envisaged in the Thirteenth Amendment to the Constitution (1987) (see sections 4–5). The transformation of state structures needed for devolution is examined using the PC experience. The chapter shows how

⁷ The literature has been very extensive on the historical foundations and the present character of this so-called “ethnic conflict,” and how it gradually evolved into a violent separatist struggle spearheaded by the Tamil guerrilla group, the Liberation Tigers of Tamil Eelam (LTTE). See, for example, Abeysekera and Gunasinghe (eds.) (1987), Bastian (ed.) (1994), Loganathan (1996), Gamage and Watson (eds.) (1997), Gunaratne (1998), Mayer et al. (eds.) (2003), Richardson (2004) among many others.

⁸ The terms governance and government are used frequently in this chapter. Governance is taken to mean the processes and systems by which political authority is exercised. It refers to the administrative and process-oriented elements of governing – the exercise of economic, political, and administrative authority to manage a country’s affairs. Government, on the other hand, refers to the method or system of governing and structure and arrangement of office and how they relate to the governed. The government of a nation normally consists of three sets of power: legislature, executive and the judiciary.

Sri Lanka failed to resolve the conflicting pulls of centralization and devolution, this failure creating an inefficient dualistic system of sub-national governance.

The essence of a devolved form is the dispersion of governance responsibilities among central, regional and/or local units of government. Even after nearly two decades from the introduction of the PC system in 1987, a devolved system appears to exist more in form than in substance. There are many gaps in the structure and functioning of the devolved governance for development. The benefits of devolution would flow from its unique ability to respond innovatively and efficiently to local needs and preferences. Such efficiency is based upon better understanding of local needs and hence the ability to provide an appropriate mix of services at the required levels. This paper examines Sri Lanka's experience of devolution in this context. It also considers the extent of prevalence of community participation in governance for development (section 9). The last section of the chapter draws the main conclusions and lessons emanating from the study.

6.2 Centralized Polity: Colonial Roots

Sri Lanka's experience in decentralized governance has been guided by somewhat contradictory imperatives of socio-economic and regional development on the one hand, and those of social (mainly ethnic) and political conflict and solutions thereof on the other. Assertion of control over the state machinery has been perceived as necessary for managing development as well as conflict. During the four decades following independence in 1948, Sri Lanka responded to demands of post colonial transformation, socio-economic development, and emerging social and political conflicts by reforming state structures within the framework of a centralized state and a unified administration.

At political independence Sri Lanka inherited a unified system of territorial administration, originally introduced by the British⁹ to facilitate political control over the territory. This system proved enduring in many ways, despite the massive demographic changes the country has undergone since (de Silva 1996). The evolution of this unified administrative system

⁹ Part of Sri Lanka was captured by the British East India Company in 1796 from the Dutch who ruled this area at the time. The whole island became a British colonial territory after the collapse of the last remaining domestic kingdom in 1815. Sri Lanka remained under British colonial rule till 1948.

Table 6.1 Chronology of key events

1865	Municipal Councils Ordinance No. 17 established municipal councils for Colombo and Kandy.
1871	Village Communities Ordinance No. 26 established Village Committees.
1920	Local government re-organized under Local Government Ordinance No. 11 of 1920, established urban district councils, rural district councils and general councils in addition to municipal councils.
1931	Ceylon granted "Dominion Status" (limited self-rule) with a State Council elected on the basis of universal adult franchise.
1939	Urban Councils Ordinance No.61 established urban councils for towns
1947	Regains independence as a "Dominion" in the "Commonwealth of Nations." Bicameral Legislature (Parliament and Senate).
1955	Adopts districts as unit of central government administration and establishes district coordinating committees.
1972	Ceylon becomes a republic within the Commonwealth as Sri Lanka with the Dominion link to the British Queen severed. Unicameral legislature (National State Assembly). Constitutionally it remained a unitary state.
1978	Second Republican Constitution with executive president, unicameral legislature renamed Parliament. Continued to retain unitary character of state.
1981	District Councils Act, establishes district development councils for each district in place of town councils and village councils. At the village level, <i>gramodaya mandalas</i> was established for people's participation.
1987	The Thirteenth Amendment to the 1978 Constitution setting up provincial councils. District councils scrapped and <i>Pradeshiya Sabhas</i> established as units of rural local government under the Pradeshiya Sabha Act No. 15 of 1987. Election of members to local authorities changed from ward-based representation to proportional representation on the basis of party/group lists. The election of the mayor/chairman changed from being elected by a majority vote of members to nomination by the political party/group. Administrative Reforms Committee constituted by the president to report on administrative reforms for improving performance of government.
1988	The Thirteenth Constitutional Amendment established nine provincial councils. The Provincial Councils Act No. 42 of 1988 provided for procedures for the transaction of business of provincial councils, with the Northern and Eastern Provinces merged temporarily.
1992	Powers and functions of government agents of districts transferred to divisional secretaries under the Transfer of Powers Act No. 52 of 1992 making the division the unit of central government administration.
1999	Report of the Commission of Inquiry on Local Government Reforms.
2000	Constitutional Reform Bill introduced in Parliament to devolve powers to regions.

of the country commenced in the early 1830s. Rapid improvements in communication enabled Colombo to establish effective control over the provinces and the districts. More substantive centralization was achieved through the unified political and administrative institutions that were designed to bring about political integration and to maintain law and order. The colonial bureaucracy, headed by an elitist civil service provided the institutional basis for the exercise of centralized power and control (Gunawardena 1989). The regional administration worked through a network of officials reporting to the center. At the helm of regional administration were the government agents and the assistant government agents operating at, respectively, the province and district levels.¹⁰

By the turn of the 20th century the demand for greater voice in the country's administration was being effectively articulated by Sri Lankan politicians in the freedom movement. The far reaching political and administrative reforms introduced in 1931 had created the space for "Ceylonization"¹¹ – an element in the transition from colonial to post-colonial state. In particular the introduction of universal suffrage and "limited self-government" in the constitutional reforms of 1931 changed the character of political and administrative institutions from one driven by colonial compulsions to one which had to be responsive to the needs of the people. Changes in the orientation of the political system led to new development initiatives, leading to "provincial" and "district" offices taking over their management.

An integral part of the unified administration was the system of local bodies introduced by the British. They were set up "... as extensions of the (regional) administration..." under the government agent (Leitan 2001). A system of four types of elected local authorities – municipal councils, urban councils, town councils and village councils – was set up in the 1930s. Dissociated from provincial administration, these elected local authorities were placed under the supervisory control of the Department of Local Government (Leitan 1979). Local government institutions functioned as organizational entities within a unified but de-concentrated administration. As the centralized administrative system continued, local authorities

¹⁰ The set of administrative units comprising provinces, districts, divisions and village clusters also had their origins in the British colonial period. The province gave way to the district as the unit of regional administration after political independence.

¹¹ Before 1972, Sri Lanka was known as Ceylon in English writings. Ceylonization here refers to the movement to replace British officials in administration by Sri Lankans and also to help Sri Lankans wrest control over economic, largely trading, activities from the hands of foreigners.

played a minor role in the administration of their respective regions even after the electoral principle was introduced.

6.3 Post-Colonial Decentralization Attempts

The post-colonial period witnessed the emergence of a demand for decentralization from several sources. Two of these sources are briefly discussed below. Firstly, a growing demand for decentralization of governmental functions had emerged from socio-economic developments emanating from the very policies that had been adopted since the last stages of colonial rule. These strategies had a strong element of re-distributive bias. In social sectors like education and health, re-distributive measures included “free” services. These economic and social policies gave rise gradually to extensive social demands for better and more comfortable life opportunities from among the ordinary people. The performance of the economy, however, was too weak to be able to meet these extensive social development demands. Social tension created by these conditions had led, by the 1970s, to open conflict, weakening the state as a system of political integration. The insurrection of 1971 for the overthrow of the popularly elected government and the establishment of a socialist regime signified the beginning of a period of violent political movements in Sri Lanka. While highlighting the emergent gaps in social integration, this insurrection of essentially the underprivileged rural youth from the majority Sinhalese community¹² had also underlined the social distance of the contemporary administrative machinery from the ordinary people and its failure to mainstream the resurgent youth. Administrative reforms were clearly needed to address the question of growing social discontent.

Secondly, the demand for decentralization gathered momentum in the form of the movement for regional autonomy in the northern and eastern parts of the country inhabited largely by people of Tamil origin.¹³ It is

¹² The leadership of the insurrection was by a left wing political organization – the Janatha Vimukthi Peramuna (JVP or the People’s Liberation Front). This organization later turned into a political party in the democratic stream.

¹³ The largest ethnic minority in Sri Lanka, the Tamil community, constitutes approximately 18% of the population. The population proportion of the majority Sinhalese community on the other hand, is approximately 74%. Muslims, the third largest ethno-religious community, constitute approximately 7.4% of the population. The Tamils of Sri Lanka are divided into two groups – those of “Sri Lankan” origin and those of “Indian” origin. The former (12.6 % of the population) inhabit mostly the northern and eastern parts of the country with a very

widely thought that the 1956 decision in parliament to make Sinhalese the only official language was the distinct beginning of this struggle, but the Tamil demand for regional autonomy was heard even in the last stages of colonial rule.

A series of reforms within the framework of the centralized state sought to contain and accommodate conflict. As the youth insurrection noted above had also shown the need for active political involvement in the management of “district” development, an institution by the name of “District Political Authority” (DPA) was established in 1973 to give political leadership to decentralized development management. The intention was to transfer the center of gravity in district development decision making from the government agent to the DPA who was a parliamentarian. The DPA system was later (1977) institutionalized through a district minister appointed by the president of the country.

These measures were not intended to “... devolve power to satisfy the demands of the Tamil minority” (Warnapala 1994: 98) for regional autonomy (see also Loganathan 1996: 73-4). They represented attempts at power decentralization from a perspective of development administration. There were a number of earlier attempts, however, made by post-colonial governments to directly address the Tamil demand for regional autonomy – e.g. the proposals for regional councils (RCs) (1957) and district councils (1968). All these successive attempts at decentralization to accommodate the Tamil demand for regional autonomy had failed, producing minority community disillusion. Ad hoc measures to satisfy the demands of the Tamil community were not successful in winning over the Tamil electorate and in preventing the gradual development of Tamil demands for a separate state.

Measures acceptable to the Tamil minority had to be instituted to win back their allegiance to the Sri Lanka state. The district development council (DDC) was the first measure offered by the post-1977 government for this purpose.

The process toward the DDC system commenced in 1979 with the Government appointing a presidential commission to inquire into and report on “the existing structure of local government with a view to ascertain the manner in which economic development activity in a district could be planned and coordinated at the level of the district through district ministers and Development Councils” (Sri Lanka 1980: 1). It is significant to

large proportion living also in the western province. The latter (5.6%), brought to Sri Lanka from South India in the nineteenth and early 20th centuries as indentured plantation workers, continue to live mostly in the areas of the central highlands.

note, however, that this presidential commission did not consider it their task to inquire into “the validity or otherwise of, and to find a direct solution to, the ethnic problems which have manifested themselves in the demand for a separate state” (*ibid.*). The commissioners understood their assigned task as that of formulating proposals that “would be applicable to all ... 24 districts in the island irrespective of their ethnic composition” and as such, they did not intend “... to provide a different political or administrative structure for any particular part of the country” (*ibid.*).

Legal provision to set up DDCs was made through the District Development Councils Act of 1980. The DDC system was envisaged as an important part of the strategy for decentralized development and the only available political solution to address the demand for regional autonomy raised by Tamil people in the north and east. The Tamil United Liberation Front (TULF), as the principal political party representing Tamil interests in the parliament, had also agreed to support the DDC system as a second best solution to the Tamil minority question.

The DDC for any particular district would consist of the central level legislators (members of parliament) representing the relevant district and members elected directly to the DDC. The central level legislators would have formed the majority. The functions of the DDC included the approval of an “Annual Development Plan” and its implementation through an executive committee headed by the district minister. The council was assigned jurisdiction over specified subjects, which were earlier under jurisdiction of town and village councils. As powers and functions of town and village councils were to be vested in the DDCs, these two local bodies were to be abolished with the establishment of the latter. Rather than introduce more decentralized governance, the DDCs were to institutionalize political de-concentration by carving out a role for elected central level legislators at the local level.

The process toward establishment of DDCs, particularly those in Tamil-majority districts, was replete with problems handled rather unprofessionally by the government in power. This was particularly so in the handling of the 1981 election to DDCs in these districts. Even after the DDCs were set up they were not allowed by the center to operate efficiently. “Most Tamil leaders ... saw DDCs as ‘an empty shell’ because of delays in appointing ministers, their limited authority, and lagging delivery of funding commitments” (Richardson 2004: 410). After the failure of DDCs and a period of escalating violence, Sri Lanka had moved in 1987 toward a package of power devolution through the setting up a tier of sub-national government in the name of provincial councils (PCs).

6.4 The Devolution Package

The 1987 constitutional reform undertaken with the objective of devolution of power was the response of the authorities to the heightened separatist militancy of the Tamil minority and the insistence of the Indian government that Sri Lanka adopt a negotiated political rather than a military solution to its ethnic problem.¹⁴ The intended devolution was to be effected through a new intermediate tier of elected provincial councils (PC). A PC was created for each province of the nine provinces in Sri Lanka other than Northern and Eastern Provinces. These two provinces were combined to form the North-East Council, until the final decision was taken regarding this amalgamation through a referendum within the said regions. There are serious limitations in the PC system as a package of devolved governance¹⁵ as will be made evident in what follows. As this package of devolution was not accepted by the separatist groups, it did not operate in the north-east even with its limitations – the very regions from which the active demand for power devolution emerged.¹⁶

The 1987 measures for devolution were far reaching when compared with the pre-1987 system of government in Sri Lanka. The assignment of subjects and functions between the center and the provinces was in the form of three lists, the provincial list, the reserved list and the concurrent list. The provincial and concurrent lists define the provincial sphere. Sub-

¹⁴ The following analysis of Uyangoda explains the context of the 1987 constitutional reforms. These "... devolutionary reforms were introduced amidst an armed rebellion against any political concessions to the Tamils and at a time when the dominant political debate in the Sinhalese society had militantly projected an essentially centralized state as the master form of political order for Sri Lanka... (An) important dimension of the context was ... India's political, diplomatic and quasi-military intervention to force the UNP regime to accommodate devolutionary proposals, formulated largely by Indian intermediaries.... (Uyangoda 1994: 84-87).

¹⁵ The Supreme Court ruled that there was "No division of sovereignty or no legislative, executive or judicial power has been effected. The national government continues to be legally supreme over all other levels or bodies. The Provincial Councils are merely subordinate bodies. Parliament has not parted with its supremacy or its power to the Provincial Councils" (2 SLR 312).

¹⁶ The amalgamation of the two provinces was constitutionally challenged in the Supreme Court by a political group opposed to the PC system. The Supreme Court, in its ruling of 2006, held that this amalgamation is constitutionally invalid. This has created an additional obstacle in the way toward devolution through PCs, as de-amalgamation of the two provinces is strongly opposed by the Tamil minority.

jects and functions assigned to provinces comprise mainly matters of a regional concern and those bearing directly on the daily life of people. The PC is thus made the provider of basic services to people. The sphere of the center is delineated by the reserved list. Subjects reserved for the center are those of a national or inter-provincial scope.¹⁷ The Thirteenth Amendment also established a High Court for every province, helping to bring justice nearer to the citizen (Cooray 1995).

Legislative powers were given to PCs for the making of statutes, in respect of subjects assigned to them. Provincial legislation on subjects in the concurrent list requires prior consultation with the parliament. The Constitution differentiates between laws passed by parliament and statutes passed by PCs. These provincial statutes must be within the framework of national policy, which however, has been left undefined in the Thirteenth Amendment to the Constitution.¹⁸ The executive powers at provincial level are vested in the governor appointed by the president. These powers may be exercised either directly by the governor or through provincial ministers and subordinate officers. Under specified conditions, the parliament has retained the power to pass laws in respect to provincial subjects and also to exercise the powers of a PC. The Thirteenth Amendment also permits all or any of the functions of provincial administration to be taken over by the president.

The PCs can raise revenues from certain sources but these are grossly inadequate to meet their essential expenditures. For example, in 2005, total revenue of all PCs was Sri Lankan rupee 16,132 million (approximately US dollar 147 million) – a mere 22% of the sum total of their expenditures amounting to Sri Lankan rupee 73,009 million (approximately US dollar 664 million). Funds are thus allocated from the annual budget of the central government to PCs to meet their needs. The amount so transferred in 2005 was Sri Lankan rupee 59,696 million (approximately US dollar 540 million) – 16% of total central government revenue in that year. PCs can also borrow money within limits set by the parliament. The Finance Commission oversees fiscal aspects of devolution. It recommends annual budgetary allocations that the government should make to PCs. The Finance Commission is also expected to work out the principles on which the total annual government grant to PCs is apportioned among different PCs.

Prior to the Thirteenth Amendment to the Constitution, decentralization was viewed in terms of “districts” and local authority areas. The shift to

¹⁷ Subjects and functions not included in the Provincial or Concurrent Lists will fall within the national sphere.

¹⁸ The relevant provincial governor may have to refer to the statutes concerned to the attorney general (AG) for the determination of their constitutionality.

the “province” as the unit of devolved jurisdiction has permitted a more comprehensive transfer of responsibilities to sub-national governments. The powers given to PCs provided for far greater functional autonomy than what had hitherto been offered under various decentralization schemes. To make this functional autonomy real, the PCs are equipped with their own staff in the form of a provincial public service. To permit financial autonomy every PC is authorized to maintain a provincial fund.

6.5 Practice of Devolution

A fundamental condition for the success of devolution is political will at the center to devolve. The devolution initiative in Sri Lanka was initiated by the center in response to demands for regional autonomy from only a part of the polity, the Tamil minority in the north-east of the country. There was no such demand for devolution from the Sinhalese in respect to other regions. PCs with their chief ministers and boards of ministers constituted a new and challenging political experience to the center. Devolution called for strong political and bureaucratic leadership at the center to carry through the transformation. Following the Thirteenth Amendment, the center took several administrative actions for this purpose. By presidential directive, central government ministries reviewed the functions to be assigned to PCs. They went on to identify sources of finance to carry out those functions, once devolved. A Ministry of Provincial Councils (MoPC) was established at the center in 1988 to “facilitate” and “guide” PCs, especially by clarifying many “grey” areas and resolving problems of duplication and overlap.

A Legal Unit was established in the MoPC to facilitate coordination with the Attorney General’s Department in the clarification of the grey areas and to assist PCs in the drafting of statutes. Certain interim measures were introduced to provide the legal basis for actions of PCs until the required statutes were passed by the PCs to cover such actions. The Provincial Councils (Consequential Provisions) Act No. 12 of 1989 enabled the provincial executive to function on the basis of existing laws.

Provinces had to develop their legislative competence in order to exercise provincial executive powers and functions. Gradually the PCs moved on to making statutes. The case of the North Western Province is especially noteworthy in this regard where so far 74 provincial statutes have been passed. Some of these statutes have created new provincial agen-

cies.¹⁹ Though not to the same extent, in other provinces too, innovative development initiatives have been taken.²⁰ In all this, the North-East Province has been exceptional. Contemporary political developments,²¹ which we cannot go into here for limitations of space, led in 1991 to the dissolution of the very first council elected for this amalgamated province. No elections have been held so far to elect a new council for this region. In the absence of a PC, exercise of provincial executive action has been through proclamation by the governor.²²

Proper procedures and practices had to be established in several critical areas of operation in order to ensure functional autonomy for PCs. “Rules of Procedure” were gradually formulated and adopted. Staffing rules were defined in order to facilitate the exercise of the governor’s powers over appointment, transfer, dismissal and disciplinary control of provincial staff. These rules always left provision to fall back on the rules at the center where necessary. All PCs adopted “Financial Rules” to form the regulatory basis for financial accountability for their expenditures. A Provincial Revenue Authority was set up for the collection of authorized revenues and all PCs moved on to collecting revenue within the limits of the available tax bases. As revenues collected fell far short of requirements, a scheme of fiscal transfers from the center to PCs was introduced (Salgado 1989). In order to train and improve competence of their officers, PCs established Management Development and Training Units (MDTUs) under the purview of the chief secretary.

¹⁹ Some examples are Self-employment Foundation, Industrial Services Bureau, Provincial Environment Authority, Provincial Handicrafts Foundation, Road Passenger Transport Authority, Machinery and Heavy Equipment Authority, Provincial Development Authority, Human Resources Development Foundation, Cooperative Development Foundation, Provincial Road Development Authority, Local Resources Development Authority, and Pre-school Education Development Authority.

²⁰ These included the housing development authorities in Central and Sabaragamuwa Provinces, the Agricultural Development Fund and the Tourist Authority in Western Province, Religious and Cultural Development Fund in Uva Province, and Agriculture Produce and Marketing Authority in North Central Province.

²¹ This was basically because the principal rebel group – the Liberation Tigers of Tamil Elam (LTTE) – was not willing to accept the PC system as an adequate solution to the country’s ethnic problem and reverted to armed struggle.

²² Examples of development services so initiated include the Centre for Enterprise Development, the Centre for Livelihood Credit Management, and the Centre for Information Resources Management.

However, the scope of provincial executive jurisdiction would depend on the nature and extent of service delivery systems that have been transferred to provinces by respective central agencies. The nature and extent of powers and responsibilities, “handed over” by the center to be “taken over” by the PCs, eventually determined the extent of discretion the latter could exercise over matters of staffing and fiscal operations. The extent of discretion they could exercise in these matters was critical to their autonomy.

The widely held concerns about the quality of public administration in the country gave rise to a Public Sector Restructuring Project in 1989. Civil service reform and public expenditure management were its main focus. These restructuring exercises at the center extended to the newly established provincial governments too. The design of the systems and procedures for planning, financing and staffing of provincial executive operations was carried out through this public sector restructuring project. In addressing provincial governance issues too, a containment approach rather than an enabling one was taken. Planning of provincial services, release of finances to provinces, and staffing of provincial executive operations eventually turned out to be subject to central control. The rules of devolution were set almost unilaterally by the center.

No room was left for autonomous provincial decision making and the demonstration of politico-economic advantages of devolution. Provincial government work turned out to be like operations of centrally driven de-concentrated departments. Provincial planning was largely operational. Information and reporting functions were limited to “annual implementation plans.” Provincial decision making did not open up space for participation and partnership of the private sector and civil society. Provincial government is deemed to be in a position to obtain better and more accurate information about regional matters. Genuine devolution would have, therefore, made provincial decision making more relevant and also more effective. As things have progressed, the PC system in Sri Lanka has not yet been able to benefit from this informational advantage.

6.6 Local Government in the Devolved System

Since the introduction of the PCs, the primary, if not the sole, concern has been the center-province relation. The center covers mainly the president, parliament, cabinet and ministries, departments etc. on the left hand side of Fig. 6.1. The top part of the right hand side – governor, PCs, board of ministers etc. down to the provincial secretariat – indicates the provincial do-

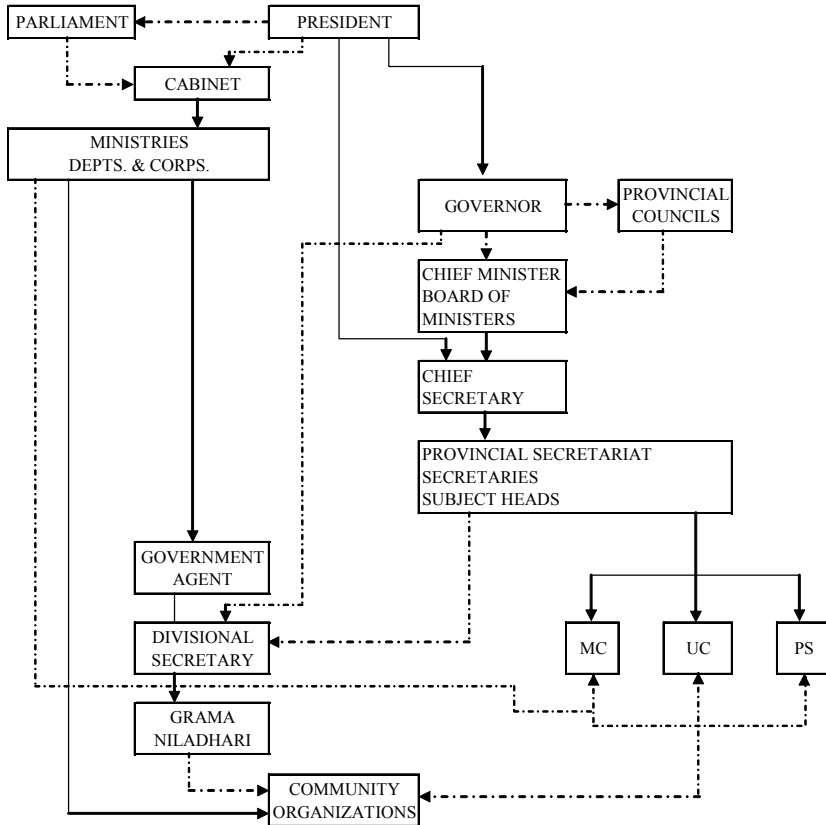


Fig. 6.1 Central, provincial and local governance system in Sri Lanka

main. Local government or authorities – the municipal councils (MC), urban councils (UC) and *Pradeshiya Sabha* (PS) in Fig. 6.1 – are viewed as a sub-system of the provincial domain. The Thirteenth Amendment guaranteed the status of local authorities in a two-way relationship between the province and the center. The responsibility for the supervision of local authority administration has been assigned to PCs. This did not and could not in any way reduce the role of local authorities (LA), or the significance of “local” interests in the governance concerns of the nation or the provinces. Local authorities became a partner in the sharing of power and responsibility. Handling these authorities in the restructuring of the state system, therefore, becomes a critical issue.

Local authorities, being integral parts of the devolution package, would thus become partners in a tripartite governance relationship involving the

center, PC system and LAs. The Thirteenth Amendment has established two tiers of sub-national government at provincial and local levels. The extension of devolution beyond PCs to the level of LAs provides the necessary institutional framework for local level democracy and governance. This means that a local list of subjects and functions is added implicitly, if not explicitly, to the provincial and concurrent lists of devolved powers and functions. In fact, the powers of LAs are guaranteed by the Thirteenth Amendment and cannot be reduced by PCs though they may add to them. Accordingly, the power sharing arrangements should have led to a strengthening of local government. The practical experience, though, has been different.

The LAs are vested with powers to regulate economic and social activities falling within their authority and they can impose taxes and incur expenditure in providing local services. LAs have had the power to create positions and staff them. Prior to the establishment of PCs, the executive positions in the LA service were in a Local Government Service, which after 1987 was replaced by the Provincial Public Services established for each province. The moving of all LA staff within Provincial Public Services was a significant regressive change. Hiring LA staff has thus been taken over by the Provincial Public Service Commissions. When the central government introduced strict control over all public service cadres, including provincial and local authority positions, as an expenditure management measure, PCs and LAs lost powers over hiring of staff.

The Thirteenth Amendment left relations between PCs and LAs open, to be regulated by statute. The required statutes have not been passed except to enable PCs to take over the powers of supervision and financing. The PCs failed to provide LAs with a role in the scheme of devolution and devolved provision of public services. Thus, LAs would seem to find themselves stranded in a scheme of devolution where they must consult with the PCs on matters of administration and to the central government on matters of national policy. The dividing line between policy and administration must be sorted out between the center and the provinces with little or no involvement of the LAs.

Thus, in effect, the Thirteenth Amendment has merely transferred an over-controlled local government system from the domain of the center to that of the provinces. It did not contribute to strengthening decentralization or local autonomy. Local authorities have been marginalized because both the center and the PCs oversee them in an uncoordinated manner. Marginalization extends to resource availability for, and institutional capacity of, the LAs. The attempted devolution has failed to reach the institutions of local self-government.

6.7 The Transformation Experience

The challenges faced by the Sri Lankan state were profound, with a protracted war threatening to break up the country, on the one hand, and growing regional disparities undermining the credibility of not only governments but also of governance structures and processes, on the other. The primary purpose of the devolution initiative through the PC system was to address the ethnic issue. PCs set up as units of sub-national governance, however, opened up opportunities for far reaching devolution of governance responsibilities. Nevertheless, the transformation from centralization to devolution has been incoherent. The devolution exercise was indeed constrained by its being worked out within the centralized system itself. Reform of the state structure has been feeble.

Devolution implies sharing of powers and responsibilities between different tiers of government. The Thirteenth Amendment to the Constitution, however, left powers and responsibilities of the center and the province imprecise and subject to the interpretation of the center.²³ Statute making was important, if not essential, for demarcating the provincial domain but the Consequential Provisions Act of 1989 permitted executive action even without such statutes. The provincial statute-making experience has been ad hoc, though some innovative initiative has been demonstrated. In the absence of a comprehensive statutory framework, the provinces have not been able to develop areas of competence in terms of subjects the center would have been willing to transfer to provinces. The Sri Lankan practice suggests that the fundamental nature of the center – province relationship has been treated as one of de-concentration rather than devolution. In the prevailing top-down relation, performance is the criterion of achievement of national policy objectives.

There would then be little or no scope for provincial objectives unless they are built into national policy. The issue of national policy thus becomes a critical one in the sharing of powers and responsibilities. There has been no clarity in regard to what constitutes national policy. In this policy vacuum, central ministries have interpreted national policy in operational terms enabling extension of their area of executive action to provincial subjects. The sharing of powers and responsibilities has thus become a

²³ Reading of all three lists – provincial, concurrent and reserved – is required to determine the rightful duties and responsibilities of the center and the province. Subject headings in the provincial and concurrent lists are not comprehensive or all inclusive. Those in the reserved list can include any matter not specifically provided for elsewhere. The concurrent list, in particular, has made the subject classification between the center and the province particularly imprecise.

unilateral exercise of the center. The institutional arrangements for oversight in order to ensure proper functioning of the PC system²⁴ have been far from adequate.

The PC framework of sub-national government was in reality a superimposition of the new PC structures on the existing district administration system. As the basis of roles and responsibilities of PCs and institutions of district administration was different, the constitutional reform of 1987 has led to an uneasy and ineffective co-existence between the old and the new. The central agents, namely the district secretariat and the divisional secretariat, continued to function in parallel with devolved bodies of PCs and LAs.

The current duality and fragmentation of sub-national government reflects a serious lacuna in the governance arrangements and institutions. There are no partnership arrangements in the delivery of development services. The sub-national level represents a complex heterogeneity of service delivery interests and actions in terms of sectors, levels of government, as well as user needs and interests. There is no holistic determination of rules of sub-national government taking into account the interactions among political, fiscal and administrative arrangements at the sub-national level. There is no attempt to make use of complementarities between the de-concentrated and devolved segments of government.

6.8 Center-Province Relations

The question of center-province relations raises several significant issues impacting on the success or otherwise of the devolution exercise. Two key issues are discussed below. First, national and regional interests have to be balanced and there is a role for provinces in national politics. It is the rules of inter-governmental engagement that determine the basis of exchange between these two parties. This is a two-way process and depends upon whether there are institutional mechanisms for sub-national interests to get incorporated in national level policy deliberations and be recognized by the central executive. The design of Sri Lankan devolution has no institutional arrangement to give voice to provincial interests at the center. No incentives are offered to foster cooperation and partnership between the

²⁴ The Thirteenth Amendment assigns important “watchdog” responsibilities to the country’s president, the provincial governor, the Finance Commission and the auditor general. To be effective in their watchdog roles, these officials and their oversight activities should function in tandem but there is no provision to ensure such functioning.

national and the sub-national entities. Institutional arrangements are necessary to provide for integration of regional and local interests at the national level and to promote a commonality of interests. In order to move away from the current zero sum power relations, it is necessary that such institutional arrangements do not permit the center to govern by “fiat” or the provinces to hold the center to “ransom.”

Second, sub-national units have varying resource capacities leading to what may be called extensive horizontal and vertical imbalances. On the one hand, councils vary significantly from one province to another in terms of resource endowments. The Western Province, as is well known, accounts for as much as 50% of the country’s GDP. The revenue-expenditure gap of the PC in this province is the lowest among all PCs at 40%. Some other provinces account for a mere 5% or so of GDP. Councils for such provinces with weak resource bases are subject to revenue-expenditure gaps as high as 95%. Thus, there is a significant horizontal imbalance between the Western Province Council and those of other provinces. The fiscal devolution arrangements do not provide for adequate revenue sharing between the center and the provinces. As such, the provinces depend upon the central government for financial transfers to meet their expenditure needs. Fiscal (i.e. resource) equalization is therefore necessary for equity in the provision of services across provinces.

On the other hand, there is also a large vertical imbalance between PCs and LAs as sub-national units of government in terms of, once again, revenue-expenditure gaps. It is estimated that the percentage share of PCs and LAs in total government expenditure is significantly less than what these would be if their constitutional mandates were carried out meaningfully. PCs account for approximately 10% and LAs for 2.5% of total government expenditure (i.e. central, provincial and local levels combined). PCs and LAs, taken together, raise approximately 2.6% of total government revenues. Total revenue of PCs amounts to a mere 17% (2003) of their total expenditures. The equivalent ratio for LAs, however, was 60%. This means that in a vertical comparison between these two tiers of government, the PCs operate with an overall resource gap of 83%, whereas the LAs are subject to a much lower resource gap of 40%. The above clearly shows that the size of devolution fiscally has been minimal.

In this context, the current patterns and trends of provincial expenditure do not appear to facilitate equitable provision of services. Balanced regional development is unlikely to be feasible under the current system of fiscal and financial devolution. As there has been no meaningful sharing of resources, the *de facto* system in Sri Lanka still resembles de-concentration rather than devolution, despite the constitutional amendment of 1987.

Devolution is said to facilitate good governance and development. Limited fiscal devolution in the system of PCs, however, blocks this goal.

6.9 Community Participation in Governance

The effect of devolution, as implemented, has been to create concurrent accountability in central, provincial and local service delivery systems. This affects the accountability of the sub-national players (province, district, division and local) differently and hence opportunities for public engagement in decision-making. At the same time, dominance of the public sector has left little space for private and community groups to become involved effectively in delivery systems. Post-1987 multi-tiered governance is yet to design service delivery mechanisms that ensure accountability of provincial and local authorities and their constituents. It is accountability to local constituents that would determine whether the providers do in fact perform their delivery responsibilities to produce the expected welfare gains to people.

This concerns civil society involvement – giving “voice” to the provincial and local public. Devolution involves handing over greater power and resources to local elected bodies thereby creating greater governance space for local people. This would enhance citizen power and understanding between citizens and service providers. In the provincial and local governance, as it evolved in Sri Lanka, the involvement of civil society has been the exception rather than the rule. The pre-devolution initiatives in community-based development sought to extend the administrative bureaucracy to the community level through program linked community organizations, such as Multi-purpose Cooperative Societies and Cultivation Committees. Into the devolution era, while these community level organizations have survived and continue to function, the mainstream civil society organizations operate as an alternate delivery mechanism with little or no participation or partnership with devolved government levels of PCs or LAs. The PC system also has failed to adopt any new mechanisms to give voice to people. Community involvement and local voice constitute the very rationale and justification for devolution.

6.10 Conclusions

Introduction of an institutional structure for devolved government in Sri Lanka proved stressful, at center, province and local levels, for both politi-

cians and bureaucrats. What happened was a superimposition of the structures of devolution on the existing institutional arrangements for the centralized exercise of state powers and de-concentrated delivery of services. Accordingly, it failed to bring about the radical re-ordering of state structures as expected from devolution. Nor did it lead to a re-ordering of the relationships for delivery of services to people. The result has been an ill-defined structure of governance in devolved and de-concentrated forms, interdependent in terms of development management, but functioning independently in their respective governance roles and relationships.

The fundamental governance issue of devolution of state powers, responsibilities and functions to PCs was its newness to Sri Lanka. Hence, there has been a total lack of clarity about political, administrative and fiscal structures that are required to make the new system work well. In another dimension, the PCs have proved to be a challenge to the established political and administrative order, at both national and sub-national levels. Thus, devolution of power and authority from the center to PCs (unlike any experience in local government) constituted a transformative change in governance.

The country plunged into devolution despite political resistance and bureaucratic recalcitrance. Though introduced from the center by constitutional amendment and administrative fiat, there was no thinking through of the institutional implications of the change. The establishment of the structures for devolution was necessary, but that was only part of the change. As important as, or perhaps even more important than, these institutional structures were the attitudinal changes, particularly on the part of the politicians and bureaucrats at the center, required for sharing of powers, responsibilities and functions which they held earlier with the new PCs. These attitudinal changes have yet to be effected.

The devolution experience of Sri Lanka constitutes an effort in ex-post facto rationalization of development imperatives arising from a system that was introduced to resolve the country's ethnic issue. Here lies the fundamental issue of the devolution experience of Sri Lanka, devolution being understood as a solution to the ethnic issue and not as an exercise in governance and development. Indeed, the exercise and experience could have been different had a coherent decentralization road map been worked out to re-define and clarify authority and responsibility at different levels of government. It is in this policy lacuna that PCs have become a problem rather than a solution to improving development performance in Sri Lanka. The fundamental position we have taken in this chapter is that the larger part of the problem lies with the center that undermined devolution through micromanagement of service delivery operations within the cover

of national policy (Gunawardena 1991). National policy has failed to establish a multi-tiered system to undertake these activities.

An essential lesson is that the question of institutional arrangements for devolution cannot be addressed in isolation. The changes should in fact be addressed in tandem as integral components of a systemic transformation rather than ad hoc administrative acts of the center. Further, the rules of devolution should be made to work, and work in a positive sum manner. Devolution is very much a work in progress. Institutions of governance, in terms of the very principles of good governance, should work transparently. At no stage of the evolution of institutions of devolved governance should center-province partnership and participation be confused with a patron-client relationship. The devolution experience of Sri Lanka, after more than a decade and a half, is characterized by the absence of coherent rules for center-province engagement to carry forward the required transformation.

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7 Politics and Local Government in Uganda

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7.1 Introduction

Uganda became independent in 1962. Under the rule of presidents, Idi Amin and Milton Obote from the 1960s to the 1980s, it experienced civil strife and economic stagnation and counted among Africa's failed states.¹ Under the National Resistance Movement (NRM) since 1986, it came to be seen as a remarkable success story (Woodrow Wilson International Center for Scholars 2005). More recently, however, it has been characterized in some quarters as a fragile state (USAID 2005), and in others as an authoritarian "neo-patrimonial" state under the personal rule of a president who maintains his authority through distribution of patronage and prebends, intimidation, and force (Barkan et al. 2004).

With every change of regime, local government² has been subordinated to the political imperatives of the day. Until the NRM seized power and embarked upon devolution, emphasis had always been placed on centralization of power with minimal participation by members of the public. After it seized power, motivated by a desire to involve members of the public in public affairs generally and in decision-making in their areas of residence specifically, the NRM government embarked on radical reforms in local government. This chapter looks at Uganda's political evolution and how it has impacted on local government through different episodes of regime change, and what this has meant for the quality of governance and public administration.

At independence Uganda had a multi-party political system with three main parties: the Uganda People's Congress (UPC); the Democratic Party

¹ On the concept of a failed state, see, for example, Rotberg (2003).

² The notion of local government here is used to denote, first, sub-national governments and second, units of local administration that enjoy more than nominal powers and responsibilities.

(DP); and Kabaka Yekka (KY). Each party represented particularistic ethno-religious and regional interests. Broadly, the DP was allied with the Catholic Church. The UPC had strong connections with the Protestant Church, although it worked closely with the Muslim community as well. The KY was a Protestant-leaning royalist party, founded to counter the growing influence of the DP and to champion the interests of the monarchy in Buganda, the country's largest and most influential region. At independence the KY and UPC formed an alliance that saw Milton Obote, leader of the UPC, and Sir Frederick Edward Mutesa, the king of Buganda, become Prime Minister and President, respectively. In 1966, Obote overthrew the government, abolished monarchies, declared the country a republic, and himself president. These actions and the social divisions as mirrored in inter-party divisions sowed the seeds of the conflicts and turmoil that rocked the country during the first two decades of independence.

These decades were for the most part marked by a failing economy and political violence.³ In 1980, controversial multi-party elections were organized. The outcome, contested by losing parties alleging rigging by the winning party, led to a five-year civil war that brought the current president, Yoweri Museveni, and his NRM to power in 1986.

7.2 Local Government before the NRM

At independence, Uganda was bequeathed fairly autonomous and well-developed local administrations. They were, however, largely ineffective and inefficient, and weighed down by sectarian (clan, ethnic and religio-political) factionalism. Participation in local elections was high but motivated more by the need to assert tribal autonomy or elect co-religionists, clansmen or tribesmen, than the desire to influence policy outcomes (Davey 1971). The post-colonial government therefore inherited a local government system already beset with problems. It fell on Milton Obote's first government (1962-1971) to take remedial action.

7.2.1 Local Government under Milton Obote

Obote was a reformist president.⁴ His instincts for reform went beyond the central government whose architecture as inherited from colonial rule he

³ For a detailed history of this period, see: Karugire (1980); Mutibwa (1992); Kanyeihamba (2002).

⁴ Obote as a reformer is discussed amply by Mazrui (1975).

systematically changed, to local administration. The search for solutions to problems in local administration was, however, undermined by the government's greater enthusiasm for elimination of opposition at all levels of government and stifling dissent within the ruling party. The desire by Obote and the UPC to entrench themselves in power rendered imperative measures to penetrate local political structures. As a priority it necessitated the empowerment of party operatives at the local level. Legislation became the principal tool by which the objective of subjecting local government to the will of the party was to be achieved. The sum total of Obote's efforts was the systematic reversal of many of the colonial government's achievements in democratization and enhancement of local autonomy.⁵ The consequences were far-reaching.

The pre-independence Local Administrations Ordinance 1962 had greatly expanded the role of local administrations. However, soon after independence the Local Administrations (Amendment) Act 1962 marked the beginning of a series of legislative measures that stripped local administrations of most of their powers and autonomy. One of its features was the powers it bestowed on the Minister of Regional Administrations to approve the appointment of chiefs, powers previously enjoyed by the colonial governor and provincial commissioners. Although the majority of their members were democratically elected, district councils were to have no power at all over the recruitment of chiefs or administrative officials. Only lower-level chiefs could still be recruited locally. The Minister of Regional Administrations acquired powers to appoint the chairman of a district council in the event that council members failed to do so due to deadlock or internal conflict.

The government's response to opposition criticism for taking these measures deserves close attention. It justified severe measures on the grounds that district councillors were of low levels of education and lacked experience (Ocaya-Lakidi 1982). Although to the critics local administrations should have been left to learn by experience, their conduct and performance in the period leading to independence provided the government with justification for reclaiming some of their powers.

In 1963, the government passed the Local Administrations (Amendment) Act. Before it was passed, two senior civil servants were appointed by the local Appointments Boards and employed and controlled by district councils: the Secretary-General was responsible for administration, the Treasurer for financial matters. The Act gave the power of appointment and dismissal (by a simple majority vote) to district councils.

⁵ For details of the colonial government's local administration reforms, see Burke (1964); Vincent (1971); Gertzel (1974); Tosh (1978).

The politicization of civil service posts bred conflict, as did the elevation of the Secretary-General over the district council that was meant to be the supreme political organ in the district. Political rivalry between the ruling party and the opposition, and the struggle for supremacy at the local level made it difficult for any appointments to win bi-partisan support.

Reacting to the local conflicts its reforms had re-ignited, the government passed yet another Act, the Local Administration (Amendment) (No.2) Act 1963. All Secretaries-General, Finance Secretaries and Chairmen of district councils were dismissed. The appointment of the Secretary-General and the Finance Secretary reverted to the central government through the Minister of Regional Administrations. The minister acquired powers, not subject to contest, to appoint people to those positions. Although a council could remove any officeholder thus appointed, the removal would require a two-thirds majority vote.

These changes essentially put local governments at the mercy of the center and provided the central government with the opportunity to influence the functioning of local administrations in positive ways. More changes were to come with the passing of the Local Administrations Act, 1967. This was the hammer by which the final blows to the once fairly decentralized system of local administration were delivered, and a new centralized one erected in its place. Through the Act the government sought to boost its powers and those of the local branches of the ruling party over local administrations. It stripped the latter of many service delivery functions and vested them in central government officers. The Minister of Regional Administrations acquired the powers which he could presumably use only as a last resort, to dissolve any district council "in the public interest" (Sathyamurthy 1982). The Act gave the party with clear majority support in district councils, a position for the most part held by the UPC, the right to nominate officials for appointment by the Minister. The president, too, was handed powers to appoint some officials.

Following the abolition of monarchies and declaration of Uganda as a republic, many officials were removed on suspicion of disloyalty to the government.⁶ The newly appointed and those who had survived were henceforth required to propound the philosophy and policy of the ruling party (Richards 1982a). Within a few years, the local autonomy fostered by the colonial government and manifest in the development of independ-

⁶ In Buganda 95% of county chiefs; 85% of sub-county chiefs; and 79% of parish chiefs were dismissed, among them the most educated and experienced chiefs in the country, some with 20 to 30 years of service (Richards 1982b; Swainson 1996).

ent local administrations had systematically been curtailed as the government sought to centralize and monopolize power.

Sathyamurthy (1982: 64) has argued that in reclaiming powers from local administrations the government was guided by the need "to adapt the idea of central-local relations to new political conditions." Apparently the government saw the turning of local administrations into agencies of the central government "to be employed, according to central direction, in the all-important task of nation-building" as the only means of ensuring the success of that policy (Burke 1964: 47). In short, the reforms were used as a tool to shut political rivals and ruling-party dissenters out of power.

Also, following the declaration of the Republic, the government had become immensely unpopular in parts of the country. This unpopularity convinced it of the need to reclaim many of the powers and responsibilities that had been decentralized during colonial rule. It seemed to be the only way to guard against defiance from popularly elected councils that might use their popular mandate to frustrate its policies. This effectively weakened the councils. However, like its colonial predecessor, the government had overestimated the effectiveness of legislation as a tool for solving problems in local administration.

The government had hoped that greater central control over local administrations would help it achieve more rapid and equitable development by setting economic and social targets they would be required to achieve. Centralization, however, had many unintended consequences. Civil servants and local administrations continued to perform poorly. For example, from being policy executors, local chiefs had been transformed into patronage dispensers to supporters of the ruling party and objects of fear and hatred. As a result they feared to venture out into villages to perform their duties without armed guards. Political factionalism, stocked by the ruling party's search for dominance, crippled local administration capacity, even to collect revenue, which in turn rendered them incapable of performing their functions (Heald 1982). Politicization of the civil service bred corruption. As supporters of the ruling party, civil servants could misappropriate public funds without fear of investigation and prosecution (Nsibambi 1971).

Having weeded out experienced civil servants assumed to be opponents of the regime, politicization of the civil service starved it of expertise and experience and left many local administrations handicapped. Planning and financial management deteriorated. Local problems were compounded by the problems of a similar nature at the center. Central government departments did not have enough personnel to respond to the need for assistance at the local level (Davey 1971; Sathyamurthy 1982). Matters got worse during Idi Amin's regime.

7.2.2 Local Administration under Idi Amin (1971-1979)

After seizing power in January 1971, Idi Amin embarked on far-reaching changes, including in local administration. The new government accused local administrations under its predecessor of being unrepresentative and corrupt. Making no pretence in valuing local autonomy, it abolished district councils along with numerous civil service posts, ostensibly to reduce costs of administration.

The regime went farther than its predecessor in centralizing power. It appointed district commissioners as heads of the central government administration in the field. Mostly military men, the commissioners enjoyed unrestrained power. The country was divided into nine provinces, each headed by a military governor. Multi-ethnic districts were broken up into smaller entities to satisfy the desire of small ethnic groups for autonomy. The strategy won the government considerable support among the beneficiary ethnic groups. As with its predecessor, the Amin regime was able politically to use reforms in local administration to penetrate the countryside. Whatever was left of local administration after the “Amin revolution” remained under domination by the center until 1986, when the NRM opted for devolution.⁷

7.3 Movement Politics: Dawn of a New Era

Until 2006, when the country returned to multi-party politics, there was a 20-year spell under a so-called “Movement” political system. The Movement originated in the five-year guerrilla war (1981-1986) that culminated in the collapse of the Obote II regime. During the war the NRM had established resistance councils (RCs), with popularly elected leaders. The RCs accorded people the opportunity to take charge of their own affairs. It was through them also that the guerrilla movement conducted its relations with the general public.⁸ After the war they became the backbone of the local government system and the foundation on which decentralization in Uganda was erected. The NRM’s reforms in local government can best be

⁷ From 1979 (when Amin was deposed by a combined force of Tanzanian troops and Ugandan exiles) until 1986 (when the NRM seized power after a 5-year insurgency), Uganda experienced unprecedented turmoil caused partly by irreconcilable differences among Amin’s successors and partly by Obote’s controversial return to power in 1980 to form his second government (Obote II 1980-85).

⁸ For details about the role of RCs during the war, see Tidemand (1994).

understood by making a brief detour and looking at its conduct as a ruling party.

After seizing power in January 1986 it suspended political-party activity on the grounds that parties had been significant players in processes that had led to the chaos and turmoil that had hitherto colored the country's politics, and that the country needed a break from potentially divisive multi-party politics in order to recover. The intellectual justification for the suspension, however, was that Uganda's largely peasant and classless society was not suited to multi-party politics as practiced in Western democracies.

Western democracy supposedly risked causing parochial (religious and ethnic) divisions within society. The NRM's preference was for politics of consensus under a Movement system.⁹ While the first argument received wide support, the second raised questions about the NRM's intentions, especially among the intellectual elite. However, that was at a time when it still enjoyed the allure of a liberation movement and was therefore politically unassailable, even in the eyes of those who might have opposed it.

The NRM government therefore started life as all-embracing and broad-based, consensus-driven, with political persuasions co-opted to serve in various capacities. It then embarked on implementing an ambitious reform agenda, a key element of which was decentralization. The emphasis on inclusion with which it started, though, was to change over time. (By 2005 when multi-party politics were re-introduced in response to growing internal and external pressure, national politics had come to exhibit contradictions between what seemed like the NRM's and President Museveni's commitment to democratization and decentralization of power to the grass-roots, and what at the center looked like a commitment to maintaining the NRM's political monopoly amidst continued exclusion of political rivals.)

As part of the restrictions imposed on parties, they were prevented by legislation from opening branch offices outside the capital city, Kampala; sponsoring candidates, or even campaigning on their behalf. The National Resistance Council (NRC) was formed to serve as an interim national parliament, with membership consisting of appointed and elected members.¹⁰ Those vying for elections did so under the "individual merit" principle which required candidates to contest as individuals, not members of political parties. In the interest of transparency, voters lined up behind their preferred candidates.

In 1989, the NRM appointed a Constitution Review Commission to conduct nation-wide consultations and draft a new Constitution. In September

⁹ See, for example, Yoweri Museveni's biography (1997).

¹⁰ Appointed members were drawn from among the NRM's founders.

1995 it was adopted by an elected Constituent Assembly (Odoki 2005). It provided for three political systems: multi-party, Movement, and any other democratic and representative system, but maintained the restrictions on political parties amidst protest by pluralists. It retained the Movement, subject to regular referenda.¹¹

The first presidential elections under the new Constitution were held in 1996 and won by Yoweri Museveni against the joint candidate of an informal alliance of political parties, the Inter-Party Forces Co-operation (IPFC). Alleging widespread malpractices, the parties officially boycotted the subsequent parliamentary elections. In a way these elections marked the beginning of the end for the all-embracing Movement system. Reacting to the support the alliance of political parties had shown for anti-NRM candidates, the President and senior Movement officials actively supported the NRM-leaning candidates and in the process violated the individual merit principle they had hitherto vigorously promoted.

A June 2000 referendum to decide between the Movement and multi-party systems was boycotted by the main parties in protest against what they saw as a violation of the fundamental freedom of association by subjecting it to a vote. A significant section of the public also stayed away, partly in response to the parties' campaign, partly because of lack of clarity regarding what the referendum was about due to lack of civic education. The Movement was retained with 91% of the 52% voter turnout (Bratton and Lambright 2001). The referendum was followed by general elections in 2001. President Museveni won, again amidst charges of rigging, intimidation and other malpractices.¹² The losing candidate, a former NRM activist and close associate of the president, Dr. Kiiza Besigye, petitioned the Supreme Court. The court concurred with the petitioner on the unfairness of the poll but stopped short of ordering a re-run.

By 2003 Museveni and the NRM were under mounting local and international pressure, including from within the Movement itself, to free political parties and allow them to compete for power. The NRM eventually agreed to lift the restrictions in the run up to the 2006 presidential elections, and to the NRM constituting itself into a political party. A proposal by President Museveni to remove limits on presidential terms was also supported by the NRM. Dissenting senior cabinet ministers were relieved of their posts (Ochieng and Atuhairwe 2003).

In June 2005, amidst charges that the government had bribed members of parliament and intimidated others into supporting it, parliament voted to

¹¹ Article 271 of the Constitution.

¹² Report of the Parliamentary Select Committee on Election Violence and other Related Matters (2002).

abolish term limits. In February 2006, Museveni fought a fiercely contested election and scored a controversial victory which, once again, was the subject of a court petition. As in 2001, the Supreme Court agreed that the elections had not complied with the law and had been neither free nor fair, but still upheld the results.

7.3.1 Local Government under the National Resistance Movement

The NRM inherited a highly centralized local government system, with most decision-making powers concentrated at the center. The Movement came to power with the broad agenda of political reform at the center of which was democratization. It aspired, among other things,¹³ to create a democratic, participatory, efficient and development-oriented local government system (Uganda, MoLG/Decentralisation Secretariat 1993). This was to be pursued through encouraging members of the public to participate in public affairs by maintaining regular contact with elected local leaders. It was hoped that this interaction would give them the opportunity to influence decision making in line with their preferences.

These activities were to take place within directly- and indirectly-elected resistance councils (RCs), later renamed “local councils,” prototypes of which had first been tested during the civil war as avenues for popular participation (Ddungu 1989). Where a council needed help, it would appeal to the next higher-level counterpart for assistance. After the war, the five-tier RC system (see Table 7.1) became the lower tier of a hierarchical administrative structure established to run the country, and from 1993, following the enactment of relevant legislation, the bedrock of the decentralized system of local government.

The legal underpinning of the local government system is the Constitution of the Republic of Uganda. Article 176 (1) stipulates that the system of local governments shall be based on a district as a unit under which there shall be lower local governments and administrative units. The Constitution is buttressed by the Local Governments Act (LGA) Cap 243 which specifies the status, roles, and functions of local governments.

In line with changes in the political context and lessons learnt over the course of implementation of the reforms, the legal framework has evolved over the years. Underlying the evolution has been the need to address the system’s weaknesses and strengthen it overall with a view to improving local government performance.

¹³ For others, see NRM (1985).

After RCs were introduced, their operational framework was codified into two statutes: the Resistance Councils and Committees Statute 1987, and the Resistance Committees Judicial Powers Statute 1988. District councils acquired corporate status and responsibility for service provision, and ceased to be an arm of the central government.

The 1987 statute provided broad policy-making and planning functions. However, it did not devolve any powers to District Councils. On the contrary, power and influence remained in the hands of centrally-appointed officials. Presidential appointees called District Administrators provided political direction, oversaw security and played roles of direct relevance to service delivery such as overseeing the implementation of government plans and policies. District executive secretaries (DESSs) appointed by the Ministry of Local Government wielded wide-ranging powers and performed numerous functions, including coordinating all local-level activities of central government departments and supervising the implementation of district council policies and decisions.

The Statute bestowed further responsibilities on RCs, including the identification of local problems and solutions thereto; formulation and review of development plans; and the passing of annual district budget estimates. Assisted by the local chiefs,¹⁴ they were to encourage, support and participate in self-help projects, oversee policy implementation; and monitor the activities of government functionaries in their localities.

However, policies were still formulated at the center. At the local level, centrally-appointed functionaries still made crucial decisions and controlled the public purse. Development administration was still managed through two parallel channels. One involved the District Administrations managing some local services under the overall supervision of the Ministry of Local Government. The other channel involved district-level departments of central ministries implementing centrally-determined policies and projects using unified civil service personnel who still answered to their parent ministries. Local politicians had no control over locally-based officers who in turn had no incentive for responding to local needs (Ddungu 1989). Cross-cutting lines of authority with ill-defined mechanisms for overall control rendered locally-relevant policy making impossible. Lack of clarity between roles for politicians and those for one or other category of appointed officials bred conflict.

In 1992, the malfunctioning administrative structures were transformed in response to recommendations by a commission of inquiry into the local

¹⁴ As with their colonial-era counterparts, chiefs operated at four levels, from village headman to county chief. Likewise, most of the chiefs were civil servants directly answerable to the district executive secretary.

government system which had been appointed in 1986 to assess the long-term role and structure of local government (Uganda 1987). The changes were codified in the Decentralization Statute 1993 (Uganda, MoLG/Decentralisation Secretariat 1993). The statute led to far-reaching change in institution, practices and procedures.

7.3.2 Radical Shift

The reforms brought about fundamental changes in the institutional set up for authority management and service delivery. Most important was the reduction in the powers that had allowed the central government to direct and meddle in local government affairs at will. Decision-making authority was transferred from the centrally-appointed officials, the Ministry of Local Government, and other ministries, to democratic local structures with elected leaders. Lower-level RC 3 councils were granted autonomy and their internal planning and decision-making processes reformed.

Elected district council chairpersons became the political heads in place of presidential appointees and the latter's role was restricted to defense and security. Centrally-appointed officials lost direct influence over local-level decision-making processes. The Decentralization Statute ended the control the Ministry of Local Government had exercised over the district executive secretary who became answerable to the district council. Line ministries lost their control over district-level civil servants who in turn became answerable to the district executive secretaries (DESS). District service commissions (DSCs) acquired responsibility to appoint, discipline and dismiss all civil servants including the DES. Village and county chiefs were removed. Their parish and sub-county counterparts became answerable to elected officials in their localities, although as civil servants they accounted to the DES and were appointed by the DSC.

A mandatory block grants system with increased financial resources was introduced under an inter-governmental transfer arrangement. To block grants, equalization grants were added and enshrined in the 1995 Constitution. With the ending of the traditional role of line ministries as conduits for resources, districts acquired overall control over their expenditures. The Statute therefore pushed the frontiers of decentralization much further than all previous laws combined. The Decentralization Statute was subsequently amended in 1997, to produce the Local Governments Act, which, alongside the Constitution which was amended in 2005, was also substantially amended in parts in the same year.

A significant change brought about by the amendment was the reversal in some administrative changes made under the Decentralization Statute

1993.¹⁵ One of the functions the 1993 statute had devolved was procurement through District Tender Boards (DTBs) which had inherited the functions of Area Tender Boards (ATBs) and taken on others that formerly belonged to the Central Tender Board (CTB). The measure had led to notable improvements in procurement. Nonetheless, in general, district tender boards fell short of expectation because of politically-inspired corruption and other malpractices linked to electoral politics, including politicians rewarding their political supporters with tenders.

Under the amendments, district tender boards were abolished and replaced by contract committees under the control, operation and direction of civil servants. The new changes also sought to harmonize local government tendering and procurement regulations with the Public Procurement and Disposal of Public Assets Act 2003.

The 1993 Statute had also stipulated that districts would employ their own personnel through district service commissions (DSCs), with the exception of district executive secretaries (DESSs), their deputies and staff still attached to ministries. The 1995 Constitution changed all that and decentralized all recruitment. However, in 2005, article 200 of the Constitution and section 55 (1A) of the Local Governments Act Cap 243 recentralized the recruitment of some officers. The appointment and discipline of chief administrative officers (CAOs), their deputies and of town clerks of cities and municipalities was vested in the Public Service Commission (PSC) at central government level. The changes met with strong criticism, not least from the Uganda Local Governments Association (ULGA). However, the government justified them as seeking to protect civil servants from undue political pressures and interference in their work.

7.3.3 Sub-national Assemblies

There are four types of local governments: rural area local governments (districts and sub-counties); city local governments (city councils and city division councils); municipal local governments (municipal councils and municipal division councils); and town councils. Cities are equivalent to districts in status, powers and functions, while in a similar vein, city divisions are equivalent to sub-counties. Each council enjoys a high degree of autonomy in decision making, with inter-council relations governed by the principle of non-subordination, guaranteed by legislation.

Of fundamental importance is the fact that within its area of jurisdiction a local council is the highest political authority with legislative and execu-

¹⁵ For details of the changes see DEGE Consult (2007: 22-23).

tive powers. Also, every local council is a corporate body and may sue or be sued. Like local councils, their administrative counterparts are found in rural (county, parish and village) and urban (parish or ward and village) areas. Altogether there are 151 county councils; 857 sub-county councils; 92 town councils; 34 municipality division councils; 1 city council; 5 city division councils; 5,478 parish or ward councils; and 46,065 village councils countrywide.

Each of the five tiers that constitute the local government system, from LC 1 (village) at the bottom to LC 5 (district) at the top, has a deliberative assembly called a council, in which issues of local importance are debated and decisions made on the basis of consensus or where there is no consensus, majority opinion. Each council is headed by a five-member executive committee.¹⁶ Up until June 2005, there were 56 districts and therefore 56 district councils. Between July 2005 and July 2006, 24 new districts came into existence. To date, there are 80 district councils, each with its own set of lower-level local government councils and administrative councils, the number of which depends on the size of its territory. Council members are all elected: the chairpersons; councillors representing electoral areas; women's and youth representatives; two representatives of disabled persons, one of whom must be a woman. Every council has women councillors forming one third of its membership.

Village councils are the avenue through which people ought to maintain direct and regular formal contact with their leaders to discuss local problems of common interest, and through them that they ought collectively to find suitable solutions. This is meant to prevent unsuitable ideas from being "imposed" from above by those who lack "relevant local knowledge." The link between lower councils and their higher counterparts, and between higher echelons of the system and members of the public, are members of higher councils with ties to the grassroots.

An important outcome of this significant participation should be high levels of accountability (Uganda, Decentralisation Secretariat 1994). Under the Local Governments Act 1997 and the Decentralization Statute 1993 before it, power, resources, and responsibility for planning and delivery of a range of services are devolved to the local level. Local leaders have the responsibility to supervise and monitor the activities of locally-based civil servants as shown in Table 7.1.

¹⁶ In the past, under the Local Governments Act 1997, parts of which have been amended, and this number reduced, they used to be 10.

Table 7.1 The local government structure

Functions	Local Councils	Level
Central government • Human resources management • Rule of law & administration of justice • Economic management, including regulation • Public financial management • Public procurement management • Revenue collection • Oversight and accountability • Public facilities and asset management		State composed of districts
Local government • Exercise all political & executive power • Provide services • Ensure implementation of government policy and compliance with it • Plan for the district • Enact district laws • Monitor performance of government employees • Levy, charge and collect fees and taxes • Formulate, approve and execute district budgets	LC5	District composed of counties
Administrative unit • Advise district officers and area members of parliament • Resolve problems and disputes • Monitor delivery of services	LC4	County composed of sub-counties
Local government • Enact by-laws • Approve sub-county budget • Monitor performance of government employees • Levy, charge and collect fees and taxes • Formulate, approve and execute sub-county budgets	LC3	Sub-county composed of parishes
Administrative unit • Assist in maintaining law, order and security • Initiate, encourage, support and participate in self-help projects • Serve as communication channel • Monitor administration and projects	LC 2	Parish composed of villages
Administrative unit • Assist in maintaining law, order and security • Initiate, encourage, support and participate in self-help projects • Serve as communication channel with government • Monitor administration of projects • Make by-laws • Impose service fees	LC1	Village composed of households

Source: Adopted from Brock et al. 2004.

7.3.4 Local Elections

In the early days of the local council system, save for village councils where all resident adults (18 years and above) were councillors by default, all councillors were elected indirectly. The elections started at the village level where councillors elected nine-member executive committees from among themselves to fill the positions of chairperson, vice-chairperson, general secretary, and one secretary each for youth, women, information, education and mass mobilization, security, and finance. These committees of nine existed throughout the system up to district (RC 5) level. The nine executives in each village joined members of other village committees in each parish to form the parish council (RC 2).¹⁷ Each parish council elected nine of its members to form its executive committee.

All parish committees in a sub-county joined to form the sub-county council (RC 3). Council members would then elect nine of their number to the sub-county executive committee. All members of RC 3 executive committees in a county would join to form the county resistance council (RC 4) and elect nine of their number to the county executive committee. Two members from each sub-county and town council in a district made up the district council (RC 5). At the district level, a woman from each county and municipal council in the district represented women. Members of the district council then elected a nine-member district executive committee from among themselves.

The 1997 Local Governments Act introduced changes in the election procedure. It ended indirect elections. All chairpersons of local governments were to be elected by universal adult suffrage through secret ballot. Although elections for councillors also became direct, voters would still line up physically behind their preferred candidates. The Act also provided for affirmative action in favor of youth and people with disabilities.

New changes were introduced in 2001. Councillors would also henceforth be elected by secret ballot. However, each of the two (male and female) district youth councillors were to be elected by an electoral college comprising sub-county youth councillors, also through secret ballot. The two councillors for people with disabilities (male and female), would be elected by secret ballot, but by electoral colleges comprising the National Union of Disabled People of Uganda, including district and sub-county executive committees. The legislation also provided for the election of two elderly persons (male and female) above the age of 55 years in lower-level councils. The two were to be nominated by the respective executive committees and subjected to approval by councils. At the village level, council-

¹⁷ The number of villages in a parish varies depending on the size of each parish.

lors were to elect village chairpersons by universal adult suffrage in secret ballot. The chairpersons would then nominate members of their executive committees who would thereafter be subjected to approval by the councillors. Elections are provided for by article 176 (3) of the Constitution which envisages a local government system based on democratically elected councils. Article 181 (4) provides for elections every five years and not four years as in the past.

As Table 7.2 shows, voter turn-out at the two previous local elections has been lower than at presidential and parliamentary elections. Recent research (DEGE Consult 2007) suggests three possible explanations for this. First is the more intense publicity given to parliamentary and presidential elections, which overshadows local elections. Second is the possibility that voters perceive parliament and the presidency as being more important in the hierarchy of decision-making with regard to decisions of consequence to their lives. The third reason for staying away is election fatigue. During a particular election year, presidential elections come first, then parliamentary elections. By the time local elections are due, people are tired of, and apathetic about, elections.

It is not clear if there is any link between the levels of participation in elections and the degree to which members of the public engage with their leaders at the local level. Research conducted over the years since the decentralization program was launched (Golooba-Mutebi 1999; International Development Department and DRT 2002; Saito 2003) shows a mixed picture, with evidence of apathy and low-intensity participation.

Another question that arises about local government elections and electoral representation is the degree to which they lead to actual representation, especially of special interest (or marginalized) groups. There are two views about this. One claims that elections have permitted sufficient representation of marginalized sections of the community (DEGE Consult 2007:

Table 7.2 A comparison of voter turn-out for different types of elections

Type of election	Year	Registered voters	Total votes cast	Voter turn-out (%)
Presidential	2006	10, 164, 988	6,894,800	67.8
	2001	10, 394, 464	5,784,532	55.7
	1996	7, 880, 553	4,782,536	60.7
Parliamentary	2006	10, 450, 788	7,230,456	69.2
	2001	10, 775, 836	7,511,746	69.7
	1996	8, 492, 231	6,193,816	72.9
Local Government	2006	10, 450, 788	4,249,842	46.3
	2001	8, 181, 720	4,063,635	59.7

Source: Adopted from DEGE Consult 2007.

19). The other, however, is not so positive. It contends that within the local council system decentralization is said to have reinforced local power holders (Brock 2004).

De Coninck (2004b: 67) observes that local council structures are increasingly used “as transmission belts for central decision-making, while often providing convenient spaces for the powerful to dictate at local level,” and that local councils are now part of a local culture “in which accountability must defer to seniority and power, and in spaces where clientelism is the accepted mechanism for resource allocation.” These observations raise questions not only about the extent to which local councillors represent those they purport to represent, but also about the ability of their constituents to hold them to account.

Poor people who usually include many members of marginalized groups live their lives within a certain reality characterized by civic incompetence (Verba et al. 1995). Underlying this reality is a lack of information; neglect by government organs and institutions; lack of self-confidence and the consequent lack of assertiveness; self-exclusion, and exclusion by others from consultative forums and processes (Chronic Poverty Research Centre in Uganda 2005). Poor and marginalized people’s “actual influence” over those who purport to represent them is extremely limited (Hickey 2003). At the level of politics, the “political practices of the poor” consist of a reluctance to exercise their right of voice (Hirschman 1970) on the one hand, and active avoidance of the state on the other (Azarya and Chazan 1987; Baker 2000). While the poor and marginalized have a wide range of political rights as everyone else, they lack the political agency necessary to make claims as citizens and effect change (Hickey 2003). This is where inclusion, through voting or sitting in meetings and the possession of rights alone are not sufficient to ensure effective representation.

7.3.5 Personnel Management

Local governments enjoy substantial autonomy to hire, deploy, promote, and fire employees, and to establish and abolish offices. This autonomy was encapsulated in the Local Governments Act, 1997: “The power to appoint persons to hold or act in any office in the service of a District or Urban Council, including the power to confirm appointments, to exercise disciplinary control over persons holding or acting in such offices and to remove those persons from office is vested in the District Service Commission” (DSC).¹⁸ The organ solely responsible for hiring, disciplining and

¹⁸ Article 56 (1).

firing local government employees is the DSC which is independent and not subject to the direction or control of any person or authority.¹⁹ Since FY 2002/03, local governments employ approximately 75% of civil servants in the country.

Recently, however, there have been changes in the recruitment of chief administrative officers (CAOs) and their deputies. Previously, they, as is the case with other employees, were appointed by DSCs.²⁰ Under current reforms, CAOs are appointed by the national-level civil service commission which then posts them to the districts and will henceforth be responsible for disciplining and firing them. While they are still employees of local governments and are subject to the supervision and direction of local politicians, they have been taken out of local control, ostensibly to free them from undue pressure and interference, both of which were widespread.

Despite having the powers to hire, many local governments, especially those in remote rural areas which are also usually under-resourced, are unable to attract people with the right qualifications. Also, there is evidence of political and ethnic bias in hiring and firing, which has sometimes led to litigation against some local councils by aggrieved former employees.

While capacity building initiatives have tried to address these problems, they have sometimes been poorly coordinated, ad hoc, limited in scope, not adequately focused, and in many cases supply rather than demand driven (Golooba-Mutebi 2006).

7.3.6 Financial Autonomy

A major objective of decentralization is to increase local financial autonomy. The higher the degree of financial autonomy, the less the center is able to exercise control or impose its own decisions or preferences. Right from the beginning of the devolution process in 1993, considerable emphasis was placed on the need to transfer resources to local governments to enable them to make and implement decisions in line, each with its own unique circumstances.

In addition to receiving money from the central government in the form of conditional and unconditional grants, local governments levied a range of local taxes and fees, with some receiving support from bilateral donors. Conditional grants are targeted at specific sectors (education, health, agriculture) activities and uses designated by the center as “priority.” Unconditional grants, on the other hand, are channeled by local governments to-

¹⁹ See Article 59 (1).

²⁰ See Local Governments Act, 1997, Article 64 (1).

wards their own priorities. The largest source of locally-generated revenue was, until its unilateral abolition by the central government recently, graduated tax, levied on all adult, able-bodied men. Other sources included trade license fees, market dues, education tax, development tax, and property tax.

The abolition left local governments, especially in rural areas, with virtually no resources of their own, save for grants from the central government and specific-project-related resources from donor-funded programs. At the time of abolishing sources of locally-generated revenue, the central government promised to compensate local governments for lost income. The compensation, though, fell far short of the volume of resources local governments used to generate on their own.²¹

The main (stated) reason for abolishing graduated tax, a decision welcomed by a large section of the public, was that it was a “primitive” and regressive tax that penalized the poor, was badly assessed, with collection entailing a great deal of harassment of members of the public by tax collectors.²² All of this is, to a large extent, true. There, however, are counter-arguments. The central government should have sought to rectify these problems and shortcomings, and identified alternative local sources of revenue before abolition.²³ The un-stated reason, though, seems to be the fact that the main opposition party, the Forum for Democratic Change (FDC), had the abolition of graduated tax, on virtually similar grounds as the government eventually based its decision on, as one of its main campaign platforms during both the 2001 and 2006 presidential campaigns. Its popular appeal forced the government to embrace the policy, albeit after toying with a number of other options, including reducing the lowest threshold paid by the poorest sections of the public.

The greatest impact of the abolition of graduated tax had been to undermine the autonomy of local governments. This erosion of autonomy is evident from the high dependence on central government hand-outs by a large number of local governments (see Table 7.4). Recent media reports indicate that some local governments are dependent on the central government for up to 95 to 99% of their expenditures.

²¹ For example, compensation for graduated tax which used to fetch Uganda shilling 80 billion (nearly US dollar 4.5 million) per year amounted to Uganda shilling 29 billion (about US dollar 1.6 million) during the 2005/06 financial year, leaving local governments strapped for cash.

²² Interview with the Minister of Local Government and local government practitioners (December 2006).

²³ Interviews in Kampala, Tororo and Nakaseke districts (December 2006).

Another factor that has diminished financial autonomy and has the potential to further undermine the capacity by local governments to make independent decisions is the payment of the salaries of elected local government leaders – chairperson and members of their executive committees – by the central government. It was the Uganda Local Governments Association (ULGA) which requested the central government to assume this responsibility²⁴ in order to get rid of inequities in the earnings of local politicians at the same rank and importance. Before the changes, districts which had large amounts of locally-generated revenue could afford to pay their leaders significantly more than those which could marshal only small amounts of revenue. While the measure has placed all local leaders at commensurate levels of remuneration, it risks undermining local autonomy by increasing the potential for local leaders to feel beholden to the center that pays their salaries and curtailing the incentives for them to put effort into local-revenue generation.

Table 7.3 Local government transfers as a share of total public expenditures

Fiscal Year	Total public expenditure* (in Uganda billions shillings)	Transfers to LGs	% share
2002/03	2,768.30	670.2	24.2
2003/04	3,098.80	743.8	24.0
2004/05	3,454.40	805.5	23.3
2005/06	4,106.30	863.8	21.0

* Includes donor-funded projects.

Source: DEGE Consult 2007: 26.

Table 7.4 Composition of local government revenues (%)

Type of revenue	FY1997/8	FY1998/9	FY1999/0	FY2000/1	FY2001/2	FY2002/3	FY2003/4	FY2006/7 Estimate
LG own source revenue	128.9	119.7	110.7	109.4	94.2	100.7	114.2	66.6
Grants	224.9	285.2	389.0	502.0	610.9	657.1	726.7	863.8
Local own resources as % of tot. rev.	36.4	29.6	22.2	17.9	13.4	13.3	13.6	<7.2
Total Grants as % of tot. rev	63.6	70.4	77.8	82.1	86.6	86.7	86.4	>93
Tot. LG Revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: DEGE Consult 2007: 27.

²⁴ Interview with Mr. Godfrey Kiwanuka-Musisi, former Chairman, Mukono District and former President of ULGA (December 2006).

7.3.7 Civic Participation and Civil Society at Sub-National Levels

In addition to playing the important supply-side role of direct service delivery in which they usually keep a distance from the state and run separate programs and projects, civil society organizations (CSOs) engage in demand-side (advocacy) activities championing the interests of weak sections of society, including helping them to organize and secure a role in decision-making (Clark 1997). In Uganda there are two ways in which non-governmental organizations (NGOs) and CSOs generally engage local governments and other state institutions: advocacy pressure exerted by the former, and voluntary interaction initiated by the latter.

Where the two sides engage through invitation, local governments, usually on their own terms, involve CSOs in their activities. They decide the terms and limits of engagement. Much depends on the good will of the officials involved. They decide who gets involved and who does not, and prefer conformist engagement which is neither political, a view that suits CSOs which seek to avoid “politics,” nor confrontational (Lister and Nyamugasira 2003). If a CSO steps over the boundaries of what is acceptable it risks exclusion. The objective, it seems, is not to encourage CSOs to play a watchdog role, but to co-opt them in order to win support for existing policies and actions. Even then, the invitation points to recognition by local government officials of the importance and influence of CSOs. A good example of engagement by invitation is the interaction within the framework of the government’s poverty-reduction policies which have created openings for CSOs to participate in policy discussions and budget formulation. It is, however, questionable whether ultimately the engagement really works for the CSOs or for the people whose interests they claim to represent.

Sometimes, though, it is through their advocacy activities that CSOs influence local leaders and public officials to engage with them and the general public on issues of general interest. In such cases, CSOs initiate the process by, for example, organizing community meetings to which they invite officials to listen to members of the public. There are CSOs which nonetheless take on the government on a number of fronts. They are, however, quite rare, and are concentrated at the national level. Those at sub-national level fear to confront officials directly. Consequently, advocacy tends to touch on less sensitive areas which are not likely to invite the ire of local leaders whose goodwill they need. Also working against CSOs taking activist stances are political and other connections between their members and leaders, and public officials whose activities and conduct they ought to scrutinize.

However, CSOs also address governance issues. The donor community, who see a functioning civil society as fundamental, have been influential in this, not least through funding CSOs working on governance issues. Underlying efforts put into developing civil society funding programs is the view that CSOs are well-placed to monitor the activities of local governments,²⁵ and that to ensure that they do, their capacity must be strengthened. Given the short-term nature of the funding and the continuing need for resources in order to carry out their work, it is debatable to what extent CSOs can be counted on to play a sustained and effective monitoring role, especially considering political and other ties between their leaders and members and the very people whose activities they should monitor (De Coninck 2004b).²⁶

Another source of CSO weakness is the co-optation of their members by the state during the 20-year period of Movement (no-party) rule, when systematic attempts were made to incorporate CSOs and other groups into the Movement (Mamdani 1994; Brock 2004), leading to the diversion or political neutralization of many. In addition, CSOs are rendered ineffective by the almost constant crossing by individuals from civil society groups into politics and back, and by some individuals keeping a foot in both camps, thereby blurring the boundaries between them (Barr et al. 2003; De Coninck 2004a). It is not unusual, for instance, for CSOs to have local government councillors and national-level politicians on their boards of directors. These often serve as political patrons who come in handy when needed, especially for their contacts with donor agencies and other possible sources of funding.

7.3.8 Mechanisms of Accountability and Transparency

The local government system in Uganda was designed in such a way as to ensure bottom-up decision-making processes and top-down accountability. This effectively means that decisions emanate from the bottom upwards as lower councils meet, deliberate, and liaise, for advice and resources, with higher councils in the process of implementing them. Processes of accountability, however, work (or ought to work) in the opposite direction,

²⁵ Donors assist CSOs through direct support, or via local branches of international NGOs or DENIVA, a national NGO network, and the NGO Forum.

²⁶ It is not unusual for local and national politicians with strong local connections to create their own CSOs or to provide them with certain forms of support. This is a common way through which politicians accumulate political capital and try to ensure their continued tenure in office through re-election (see, for example, Etyang 2006a, 2006b).

for higher-level councils and decision makers to account to those below them and to the people who elected them for decisions and policies that impact directly on their lives. In these processes the principle of non-subordination applies.

Although questions have of late arisen about the degree to which this principle is still upheld given recent changes in local government that run counter to it, it has always been paramount in Uganda's system of local government. However, "For purposes of ensuring implementation of national policies and adherence to performance standards on the part of Local Governments, Ministries shall inspect, monitor and shall where necessary, offer technical advice, support supervision and training within their respective sectors."²⁷ In addition, the Local governments act 1997,²⁸ stipulates: "The inspection of Local Governments by the line Ministries and other state organs authorized by law shall promote adherence to the law and without limiting the generality of the foregoing shall –

- Promote and foster adherence to the rule of law and principles of natural justice and good governance;
- Foster the elimination of corruption and abuse of office.

Many people argue that decentralization has instead lead to a worsening of corruption and the institutionalization of the patronage-mode of politics. While it is easy to attribute the personal opinions of observers simply to perception given the degree of general openness and media reporting which have tended to highlight instances of corruption whenever and wherever it is alleged to have occurred, government reports (Uganda, MoFPED 2000) and academic studies (Francis and James 2003) are open to less doubt.

There are factors to which the prevalence of corruption at local government level is attributed. First, shortcomings in popular participation have meant that people are less able than was previously assumed to hold their leaders, elected or not, to account. As argued previously, this becomes more difficult the poorer and more marginalized people are, for poverty and marginalization undermine people's civic competence. Second, the patron-client nature of politics in Uganda means that well-connected local leaders and officials are able to engage in acts of malfeasance without fear of repercussions.

Uganda is well-known for setting up anti-corruption organs such as the Inspectorate General of Government and the Ministry of Ethics and Integrity. On the surface these measures point to a determination to combat cor-

²⁷ Article 97, Local Governments Act, 1997.

²⁸ Article 99 (1), Local Governments Act, 1997.

ruption and malfeasance. In reality, though, the government's anti-corruption drive is characterized by more rhetoric and inaction than tangible measures against those who engage in acts of corruption. If anything, the government sometimes undermines the very actions of the organs it established to combat corruption, a view expressed regularly by a former Minister for Ethics and Integrity (Matembe 2005).

7.4 Conclusions

The chapter has shown the intimate connection in Uganda between the nature of politics at the center and the degree of decentralization the regime in power will be prepared to allow. The first 20 years of independence saw the ascendance to power of regimes that, in a bid to strengthen their hold on that power, privileged centralization over local autonomy and in the process undermined possibilities of members of the public taking part in decision-making processes.

The last 20 years on the other hand, have been a period of far-reaching changes in Uganda's politics both at the national and local levels. At the local level the government prioritized democratization, dispersal of power, responsibilities and resources, and putting ordinary people at the center of decision-making, and has scored remarkable successes. While there are legitimate questions about the effectiveness of participation by both ordinary people and civil society groups as agents of change, local activism by members of the public, NGOs, and CSOs in service delivery and policy making and implementation has been important. There is debate about the wisdom of some of the reforms the government has instituted at the local level over the last two decades. They, however, are of great significance.

As the years have passed, the government's commitment to share power at the local level, though, has not been matched by a similar desire for sharing at the center. On the contrary, it has sought to monopolize power and entrench the ruling party at the expense of its competitors in ways that mirror the conduct of its predecessors whose politics of exclusion led the country into decades of political instability. In contrast with its earlier image of a democracy in the making, Uganda has recently re-joined the ranks of the world's neo-patrimonial states with a future that increasingly looks uncertain.

Nonetheless, notwithstanding recent indications of a tendency towards recentralization and the rapid division of districts into ever smaller sizes in order to curry favor with the populace as President Museveni sought re-election to an historic third elected term in office, the government still

shows commitment to decentralization and local democracy. Uganda's decentralization program has won accolades internationally, with delegations of officials visiting the country from around the world over the years, to learn from its experience. The donor community has been instrumental in the implementation of the reforms. However, the NRM's desire to democratize the country's politics and involve ordinary people in decision making was the motive force behind these reforms. The dominant view that in the past dictatorships employed coercion to implement policies conceived at the top to benefit only a few privileged clients and allies (World Bank 1988; Goulet 1989) was an important influence in devising strategies that would improve chances of bringing about equitable development. Whether or not this has been achieved is an empirical question that lies outside the scope of this chapter. What is beyond dispute, though, is that Uganda's local government reforms in the last 20 years count among the most ambitious and arguably the most successful on the African continent.

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8 Possibility of Creating a Deliberative Solution in Uganda

Fumihiko Saito

8.1 Revisiting Uganda in a New Context

As we have seen in the previous chapter, Uganda's attempt at decentralization is at least one of the most ambitious in Africa, and could possibly be the most ambitious in Sub-Saharan Africa except for South Africa (Ndegwa 2002). It is thus worth revisiting its experience with a particular focus on the extent to which the decentralized structure of the LC system facilitates deliberative processes for resolving common issues at the grass-roots. Assessing deliberation in Uganda generates important lessons for debating the direction and likelihood of development in the world in general, and Africa in particular.

As Hyden (2006) concludes, one of the promising ways to realize much wanted development in Africa is “*decentralizing responsibility to organs that can act with an independent professional mandate*” (p.273, emphasis added). Thus, decentralization still attracts the attention of scholars and policy makers as one of the most promising means to help Africa move forward.

Yet, he maintains that the particular way in which most Africans behave is guided by patron-client relations whereby leaders and followers are engaged in informal reciprocal relations. This kind of relationship does not foster expression of diverse opinions by followers, and leaders are not anticipated to facilitate in deliberation (p.231).

Now, this view can be interpreted as another form of pessimism about Africa's future, although paradoxically pessimism is the subject that he attempted to refute. While Hyden's insightful view on Africa is, to a large extent, agreeable, this conclusion cannot be taken at face value.

Revisiting Uganda is thus important for at least the following three reasons. First, Uganda, up to the early 2000s, was considered to be one of the

most promising reformers on the African continent. Economic growth in the 1990s was associated with poverty reduction. However, since around 1999/2000, poverty slightly increased despite continued growth (Kappel et al. 2005). Statistics show that absolute (income) poverty declined from 56% in 1992 to 35% in 2000 but rose slightly to 38% in 2004 (UNDP Kampala 2005: 5). Almost 20% of the population suffered from chronic poverty in the last decade (Uganda, MoFPED 2005). Thus, the poverty reduction has reemerged as an important national agenda, especially because the ultimate purpose of decentralization is poverty reduction.

Second, the political landscape in which administrative reform efforts have been pursued started to change at least partly because the NRM seeks to stay in power for a prolonged period (Rubongoya 2007). Some of the ill-effects of this long period of political domination are becoming apparent (Barkan 2005).

Third, Uganda (re)introduced multiparty elections in February 2006. This change obviously affects political contestation both at national and local levels. As is often pointed out, multiparty elections tend to destabilize the kind of social relations on which African politics and economics are based (Hyden 2006).

8.2 LC System, Political Space, and Deliberation

The experience of Uganda's LC system in the last two decades has been mixed. On the one hand, it has considerably opened up political space at the grassroots where people usually do not feel constrained in talking about public issues (Hickey 2005). Most Ugandans do not fear expressing their opinions about local issues ranging from education at nearby schools to disputes over cattle or land. While certain issues (such as security and education) tend to attract more attention of local people than others (organizing collective action such as cleaning community roads), at the LC 1 level leaders and followers are engaged in dialogues with a spirit of trying to resolve local issues for the common good (Saito 2003: 66-67). One can notice that there is a certain degree of respect for others when they would like to express their opinion in LC meetings.¹

¹ The extent of effective local discussion varies from one area to another. Generally, in the west and the central areas, the LC meetings are held more frequently and more effectively. But in the east and the north, such is not the case (Saito 2003).

When asked if, “Decentralization has led to a situation in which everyone has power to influence important decisions made by the local councils,” 44% of respondents answered positively (Logan et al. 2003: 43-44).²

On the other hand, the way in which the LC system operates is not free from problems. The LC system is ideally intended to be a two-way forum in which leaders explain government policies and followers respond to them. In reality, it is used mostly as a mechanism of top-down explanation rather than bottom-up communication. In fact, when people are given the statement, “Despite decentralization, there are only a few individuals who have the power to influence important decisions made by the local council,” 49% agreed with this notion (ibid). This response may appear somewhat contradictory: on the one hand, the respondents appreciate that the LC system has opened up the political space for ordinary people; on the other hand, nearly half of them at the same time agree with the notion that the LC system tends to be captured by the locally powerful.

The reality, in fact, appears that both are true. The situation is fluid in which participation by ordinary people has increased significantly yet the local decision making is still inclined to be influenced by local elites.

In addition, how discussions are organized depends largely on leaders’ skills. Of course there are some who talk about some matters that are irrelevant at the LC meeting. When asked if such people should not participate in the meetings in the first place, several people replied that they should participate and it is up to the leader to organize the meetings (Saito 2003).

It is useful to compare if the public attendance at the meetings and satisfaction with the LC system has changed either positively or negatively. Comparisons are attempted by using my earlier study conducted in 2000 (Saito 2003) and more recent surveys with similar objectives.

First, let us compare public participation in LC meetings. In my earlier study, I estimated that roughly one third to half of the households send participants regularly to their nearby LC 1 meetings. In a recent National Service Delivery Survey (NSDS), 36% of the household respondents confirmed their regular attendance. These two findings are remarkably similar. Sufficient care needs to be taken to interpret these questionnaire results since the ways in which they were conducted were different. My earlier study was based on a series of relaxed informal discussions with small groups of people, while the NSDS is a large sample survey. Still, it might be stated that a similar level of participation is encouraging in the middle of harsh realities in rural Uganda.

² This study is based on Round 2 of Afrobarometer which was conducted in 2002.

Second, a comparison can also be made about public approval of the LC performance. In my earlier study, I pointed out that when grassroots people were asked, "Are you satisfied in the way the LC operates," people displayed most satisfaction with LC 1 and their level of satisfaction decreases with LC 3 and further decreases with LC 5 (Table 8.1).³

In 2004, a similar question was asked as a part of the NSDS, although the question was formatted differently (Table 8.2). While it is difficult to interpret these two data sources, there seem few significant differences between these two results. It is thus important that at least people have not become increasingly dissatisfied with the LC system.

On the contrary, the NSDS result illustrates very clearly that people are more satisfied with the LC system than before (Table 8.3).

Table 8.1 Public satisfaction with LC system 2000 (%)

	Very satisfactory	Somewhat satisfactory	Somewhat unsatisfactory	Very Unsatisfactory	Do not know
LC1 (Village)	43	30	12	13	2
LC3 (Sub-county)	24	30	20	17	9
LC5 (District)	21	28	15	20	16
Overall	32	46	9	10	3

Source: Saito 2003: 78-84.

Table 8.2 Rating of performance of the local government system (%)

LC Level	Good	Fair	Poor	Don't know
LC1	61.0	26.1	8.1	4.8
LC2	38.7	27.9	6.4	27.1
LC3	37.9	23.2	8.9	30.0
All LC	45.9	25.7	7.8	20.6

Source: UBOS 2005: 99.

Table 8.3 Percentage distribution of respondents by perception of change in the quality of LC service in the last 2 years

LC Level	Improved	Same	Worsened	Don't know
LC1	58.4	32.1	7.2	2.3
LC2	49.1	41.2	6.2	3.5
LC3	49.8	36.6	9.3	4.3
All Levels	53.0	38.2	7.6	3.3

Source: UBOS 2005: 99.

³ The different responses are due to age and other factors, see Saito (2003).

Indeed, when people are presented with the following statement: “Our leaders in the local councils are accountable to the community for the decisions that they make,” 67% agreed with it (Logan et al. 2003: 44). It was only 31% of respondents who agreed with the statement: “[o]ur leaders in the local councils make decisions without any consideration for what the community wants” (ibid).

In one area in Mukono, this kind of well-organized LC leading to improvement of people’s lives is apparent. There, both the LC 1 and LC 3 chairpersons have been in leadership for a long time. Given the high turnover of local leaders by elections in Uganda, their continued service of LC leadership is unusual. (The LC 3 chairperson is the leader of all LC 3 chairpersons in the district.) The LC 1 leader often consults with the LC 3 chair on local issues, and he in turn discusses their matters with the LC 5 counterparts in the district offices. In this way, the different levels of the LC system are well connected for problem solving. With this extraordinary leadership, a new health clinic was established recently. In addition, a private secondary school has come to be assisted by the government which now recognizes it as a public school.

That local people appreciate the LC system more is intriguing. Ugandans by now have approximately a decade of experience of organizing LC meetings whereby common issues are discussed. For many, this decade is the first experience after independence in which they are allowed to engage in public discussions of issues which are relevant to their everyday lives. This experience of participating in decision making is important. Although this does not mean that the way the LC system is conducted is completely pro-poor, the LC system has nonetheless become an indispensable institution that people trust.

The Afrobarometer survey clearly shows that the most trustworthy individuals in Uganda are LC 1 councillors and their rating is ahead of President Museveni and any other public officials such as those in parliament, traditional leaders, newspapers reporters and police (Logan et al. 2003: 43-44). When there is mutual trust between leaders and followers, deliberation can more readily take place, some of which is effective in bringing development to poor rural society in the landlocked African country.

Even if this kind of deliberation may be the exception rather than the rule, its importance should not be overlooked. It can be argued that as long as this kind of deliberation can contribute to local problem solving, decentralization is considered as a success. Although there are many objectives associated with decentralization measures, as seen in Chapter 1 of this book, one indicator of success is democratic process centered around participation of ordinary people in decision making. Deliberative processes can be more easily facilitated at the local community level than, for in-

stance, at the level of national parliament, since reaching a political compromise in the latter is quite difficult. Emerging examples of local deliberation present some hope for bringing long-desired development in much troubled rural Africa.

8.3 Improved Service Delivery

The public approval ratings of the LC system depend significantly on whether or not service provisions have been improved noticeably. This is essential for ordinary people in localities. As long as local discussion results in tangible improvement of public services, people are undoubtedly satisfied. If, however, it does not lead to improvement, discussions remain empty, and people can easily be dissatisfied with the efficacy of discussions. Indeed, in such situations “participation fatigue” may set in.

In my earlier study (Saito 2003), there was a clear tendency in which the more educated expressed more critical opinions about the LC system (chapter 4). Although the reasons are not fully known, it might be the case that the more educated people expect that local discussions should be linked with administrative support for welfare improvement. In a relatively early period of the LC system, such linkage was not fully functional, which resulted in disappointment, particularly for those who were well informed. Indeed, this tendency still persists today. In many cases “participatory planning” solicits public demands yet local governments often cannot respond to them. Thus many consider such exercise useless since authorities do not keep promises.

The Afrobarometer’s round 2 exercise in 2002 is again useful for understanding public perception of services. It reports that the following percentages of people saw improvement in services provided by LC 5 in the last five years (p. 43): 77% in education; 69% in health care; 64% in feeder roads; and 54% in water and sanitation. In other words, in these types of services, more than half of the local people believed there had been improvement rather than deterioration. Given that these services form the core activities emphasized by Uganda’s often well-praised Poverty Eradication Action Plan (PEAP), this result is encouraging.

The same study also reveals that in the case of agriculture it was only 46% of respondents who thought services had improved. In agriculture, more than half of the people thought that services had deteriorated. This dissatisfaction is also confirmed by the NSDS. While in 2000 29% of respondents replied that they were visited by an extension worker in the last 12 months, in 2004 only 14% said that they were visited. In the western

and eastern parts of Uganda, this proportion further drops to 11% and 12%, respectively, in 2004 (UBOS 2005).

These differences in public perception of social services and agriculture are partly attributable to different government policies. In education and health, the NRM government has recently adopted policies of free services. Universal Primary Education (UPE), launched in 1997, now provides free education for all pupils. UPE has massively increased school enrollment. In health, user fees, which were charged for consultation at public health clinics, were abolished in 2001. Like UPE, this abolition increased public access to health care significantly. In both education and health, the government is committed to decentralizing primary services to local governments. Because these services form the core of the PEAP, the central government would like to see that local governments deliver these services successfully. Thus, the central government has been providing significant funds through conditional grants. Although UPE and health fee abolition were initially expressed during the presidential election campaigns, the government seems to take the view that such essential social services are an important component of “public goods,” and thus continues to support them. Education and health, therefore, constitutes pro-poor policy arenas.⁴

In contrast, in the case of agriculture, the philosophy behind recent policy was different. The government launched the Plan for Modernization of Agriculture (PMA) in 2000, which was intended to be a “holistic, strategic framework for eradicating poverty through multi-sectoral interventions to improve livelihoods in a sustainable manner” (Uganda, MoAAIF and MoFPED 2000: v). As a part of the PMA, extension services were reorganized as National Agricultural Advisory Services (NAADS). This shift reflects current thinking that in the past agricultural services provided by the government were largely ineffective, and that more efficient and effective services should be demand driven by farmers and supplied by private entities. In short, the NAADS is a form of privatization of what used to be public services. More importantly, this privatization does not share pro-poor orientation as in the cases of education and health. An official of the Ministry of Agriculture frankly admitted this.

⁴ Deininger and Mpuga (2005) estimate that the total benefits of user fee abolition are larger than the reduced financial income due to the abolition. The findings by Kappel et al. (2005) and Deininger and Okidi (2003) cover the relations between growth and its pro-poor results. For example, the former study reports that public spending on health has more widespread effects on the poor than on education.

...the poorest are deficient in agricultural assets, which brings into question whether or not the PMA will make any difference to the poorest... we envisaged that after initial successes with commercialization the poorest would provide labor on maize farms and agro-processing factories. But this was as a wish statement (quoted in Hicky 2005: 1001).

8.4 Improved Linkages of Various Government Levels

Education and health, therefore, represent progressive implementation of decentralized service provisions in Uganda. What is noteworthy in recent years is the significant improvement in the collaboration and coordination between the central and local governments as well as among different levels of local governments (especially LC 1, 3, and 5). This kind of multi-partnership, a collaboration of different layers of government aiming to achieve common objectives, is the mechanism behind improved services.

These improved services are attested to by the improved monitoring, supervision and mentoring provided by the line ministries at the center. While the situation still needs more improvement, it has become much more systematized. For instance, in education, since 2004 5% of UPE grants are being used for such purposes. In health, area support teams of the Ministry of Health (MoH) started to supervise and mentor District Health Management Teams (DHMTs) since around 2004, and it usually involves a quarterly visit per annum.

In addition, district support to service providers has also improved. One type of evidence is the reduced mishandling of grants supplied to schools. In the early days of decentralized primary education, the extent of funds to

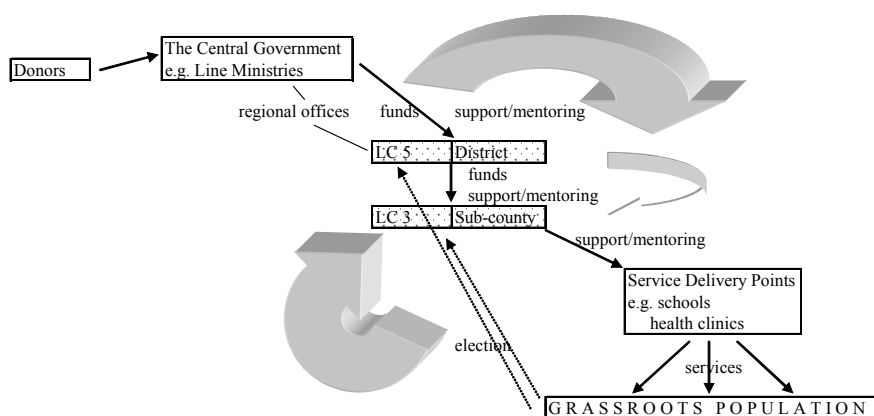


Fig. 8.1 Improved linkages of government offices

be transferred to schools being “hijacked” by local officials and politicians was relatively high.⁵ Even if it reached schools, it was quite common that they were misused by head teachers. Frequent newspaper articles reported such incidents in the 1990s. However, once information is shared with PTA and local communities, head teachers and other local elites cannot divert funds for their personal use easily. Reinikka and Svensson (2005) report a very interesting example of using a newspaper campaign to monitor local officials handling public funds, which has successfully resulted in not only reduced malpractices but also in creating a conducive environment for students’ effective learning.

In contrast, the assessment of NAADS calls for caution since the implementation of this initiative only started recently and time has not yet allowed systematic analysis. Preliminary review shows that although the general policy orientation is considered appropriate, PMA/NAADS needs to be better coordinated with other services at local levels, particularly at LC 5 (Oxford Policy Management 2005). NAADS are welcomed by farmers primarily because they receive much desired extension services essentially free of charge. Therefore, if a similar public opinion question were asked now, NAADS would no doubt receive a very good response.

This welcome, however, certainly has a cost. NAADS is organized and facilitated by the LC system. It is at the LC 3 level where diverse demands of farmers are prioritized. Then, LC 3’s limited cost sharing is required to receive NAADS services. But due to financial constraints (caused by the abolition of graduated tax that will be discussed shortly in this chapter), in reality cost sharing has not been honored by most LC 3 offices. Thus, sustainability of the NAADS is in question.

8.5 Human and Financial Resources as Enabling Factors

The degree of improvement in education and health, on the one hand, and in agricultural extension on the other, can also be evidenced by the different orientation of the essential resources to manage these services: people and finance.

⁵ Reinikka and Svensson (2004) report that in the early 1990s, only 13% of the grants reached schools, and the bulk of it was captured mainly by district level officials and politicians.

8.5.1 Human Resource Management

Concerning human resource management, Uganda is one of the few countries whereby local governments (LC 5) have the authority to “hire and fire,”⁶ although remuneration is still centrally decided. The improved education and health results have been backed by efforts to enhance human resources at local levels (through such initiatives of LGDP).

Especially since the turn of the century, capacity at LC 3 levels appears to have improved both in quantity and quality. For example, according to the recent restructuring, the LC 3 chief (administrative head) now has to be a university graduate. This high qualification is unusual on the African continent. In addition, there has been a significant numerical improvement in the deployment of service providers. In 2006, at LC 3 level, there were about ten officers working for local public services, and this number excludes those assigned to schools and health clinics. Although many officials still lack transport, at least the service providers are allocated in the LC 3 offices. This improvement is crucial for the delivery of decentralized services.

In addition, the number of teachers has been increased to cope with the massive increase of enrolled primary school pupils. In health, there is also a recent increase in the number of staff working at public health facilities partly due to improvement in salary. In agricultural extension in contrast, it is uncertain whether the number of suppliers has increased significantly or not. NAADS service providers need to be locally registered, and it is doubtful whether in rural Africa privatization suddenly can increase service providers considerably. An officer in charge of LC 5 agricultural extension in Rakai frankly admitted that the same government officers are now employed by NAADS under the new scheme. This kind of difference between social services and agriculture is also related to differences in public approval of services.

Apparently, even if there has been impressive progress in local human resources, there are critical challenges for further improvement. Most of the local administrators feel that their long-term career development has been damaged by decentralization, since they can no longer expect an upward career path at the central government. In addition, motivation for administrators continues to be a problem. Interestingly enough, the reason why many of them choose to join the government is that work is less demanding and more secure than in the private sector (Therkildsen and Tidemand 2006). As local governments become more responsible for ser-

⁶ With the new amendment of the Constitution, local governments no longer have the authority to hire and fire chief administrative officers (CAOs).

vices, it is not clear in what ways the enhanced local duties will affect the motivation of officials.⁷

8.5.2 Fiscal Decentralization

In terms of fiscal decentralization, Uganda has a relatively long period of experience. The share of local government expenditures within the total government budget is high at 32% as in 2005/06 and nearly 7% of GDP (Williamson et al. 2005). The sequence of evolution from the pilot phase of the District Development Programme (DDP) supported by the United Nations Capital Development Fund (UNCDF) to the subsequent World Bank-funded Local Government Development Programme (LGDP) I and then II is an important part of the evolution of decentralization in Uganda. This evolution is important for several reasons:

1. Financially, LGDP provides significant resources to local governments. On average, LGDP funds constitute about 10% of total transfer from the central to local governments.
2. LGDP I and II have been innovative in the method of intergovernmental transfer. While usually the donor-funded projects tend to create their own way of funding, the LGDP mechanism has mainstreamed the way in which the central government transfers funds to local governments.
3. It is reported that more than 80% of funds are used for meaningful investments by local governments in service delivery under the LGDP I. Usually the investments are made in the national priority areas for poverty alleviation.
4. There is a mechanism of carrots and sticks. When districts perform satisfactorily, they receive 20% more the following year. But if they fail, their funds are cut by 20% the subsequent year.
5. For this purpose, evaluation criteria of local governments are devised and applied. This methodological development now forms the basis for more systematic performance measurement of service delivery in general.⁸

⁷ On the one hand, decentralized services improve communication between service providers and recipients. Thus, this can contribute to a better working environment (Saito 2003). On the other hand, decentralized services are more demanding than before.

⁸ Accordingly, LGDP II evaluation report stated that “the eminent synergy between the two project elements of capacity building on one hand and budget

There are, however, certain criticisms leveled against LGDP. The investments are mostly in the form of physical investments and have not necessarily improved people's capacity of participation and accountability. While some of these criticisms may contain a certain validity, it is undeniable that the DDP-LGDP has made a deep impact in several ways.

However, there is a serious concern over fiscal decentralization. In FY 2005/6 graduated tax (g. tax) was abolished. This tax was in effect a kind of poll tax, and known to be unpopular and controversial. The abolition was again announced as a part of the campaign for election of the national leadership. Yet, this was the only major source of locally generated revenue for local governments. Two points were of concern in this respect. First, in some areas, the collection of g. tax was improving, which shows that there was more willingness among the local population to pay the tax as long as there were some benefits from it. The abolition undermined the kind of accountability that was about to emerge between tax payers and service providers. Second, although the central government promised to compensate for the loss of the g. tax, less than half of it has been provided. This reduction has resulted in difficulties, *inter alia*, in paying allowances for local councillors and in convening, in some cases, the council meetings. Also, local governments cannot fulfill the commitment of cost sharing in implementing some projects (including NAADS and LGDP).⁹

8.6 Collaboration and Partnerships

We have seen some signs of increasing public satisfaction with decentralized services, in the proceeding sections of this chapter, and have learned that they are backed by increasingly available human and financial resources. Some of the problems associated with decentralized services are also noted. In the subsequent sections, we focus our discussion on participation fatigue and possibilities of partnerships.

As we assess the likelihood of deliberation, it becomes important to examine whether the discussion and problem-solving processes of the LC system resemble what an ideal type of deliberation may entail. If participa-

support on the other has improved the ability of local governments to plan, manage finances, and deliver services" (p. iv).

⁹ There are other issues as well. The proportion of conditional grants has been steadily increasing over the years. For instance, in the early days of decentralization, as pointed out by Akin et al. (2005) local governments reduced funds for health activities, which convinced the Ministry of Health to use conditional grants for various health activities.

tion in local decision-making processes results in improved access to information, that in itself is of value to individuals. It is an improvement if people are better informed of the government policies. Moreover, if it goes beyond the individual to the collective level, that has a much deeper implication. It may have a chance of nurturing civic values which are often difficult to promote in Africa (Hyden 2006). A good example of this is to examine whether people maintain an incentive for participating in LC affairs. With better access to information, there may be cases of sustained public participation in organizing collective solutions through the LC system. Deliberation is assumed to contribute to such collective solutions. If this collective organization is realized, it may represent a form of local partnership. Partnership is defined as an independent agency joining to address common concerns with synergy effects (Chapter 1). Although the collaboration between local governments and other entities may be facilitated by coercion backed by state power, the notion of partnership is usually congruent with a voluntary decision by each partner to form a partnership or not. Examining partnerships provides useful lessons for assessing deliberative ways of managing public issues locally.

8.6.1 Participation Fatigue

It is difficult to interpret the trends and quality of participation of people, especially the marginalized, in local decision making. In comparing my earlier study (Saito 2003) based on the situation of 2000 and more recent situations, it appears safe to say that the situation is mixed. While there are some sustained participation practices, there are also certain signs of fatigue.

In some areas, reasonably high levels of participation have been sustained. As we saw in Mukono, the fatigue was not experienced partly because (a) leadership was good and leaders could organize meetings without wasting too much time; (b) some results of the meetings were felt by local population in the form of improved services.

Probably it would be rare to find such examples throughout the entire country. As some of the mechanisms are now “institutionalized,” the way in which these mechanisms are applied has become superficial. For instance, participatory planning has in one sense taken more institutional support by the Ministry of Local Government (MoLG) and LC 5 levels. Yet, the extent of genuine participation by the marginalized probably remains very limited, although it might be stated that superficial participation is better than no participation at all.

There are at least two reasons for experiencing “participation fatigue.” One is the effects of increased expectation. Once people were given opportunities for participation and consultation, no matter how limited the scope was, their expectations rose. Thus, meeting such expectations became difficult. Disappointment can lead to disillusion. Dissatisfaction experienced with “participatory planning,” as explained earlier, is a sign of this phenomenon.

Second, there are possible effects of the privatization of public services, which is a dominant mode of reform in developing countries now. While the LC system is in a sense an attempt to enhance community action (members voluntarily comply with agreed views), other developments are intended to solicit more privately and individually oriented activities conceived to serve local demands. This is a serious concern especially because the privatized services usually require contribution by the beneficiaries. Thus, it becomes more likely that the beneficiaries will complain about the quality of services for which they pay whatever the (small) amount. Additionally, in the case of NAADS, privatized services are largely welcomed by people because they are free of charge in effect. It can, however, be a way of creating more nepotism. Those who receive payment from NAADS are usually local elites. Free privatization can thus be a way to undermine what public services should be all about. Even if it is difficult to interpret the mixed situation, some of the new changes may undermine community-inspired collective action that the LC system had hoped to organize.

8.6.2 Prospects of Partnerships

Participation also affects ways in which partnerships can be established. The relationship among local governments, communities, civil society and the private sector has been led largely by practices and not by policy.

In the area of education, the shortage of classrooms has been reduced in recent years although not completely eradicated. Due to the improvement, the collaboration between communities, schools and district educational offices does not take place as enthusiastically as before.

In health, the collaboration between public and private (for profit as well as non-profit) service providers appears to be strengthened, even if it is difficult to gauge the mixed situation adequately. In the annual planning process, the participation of private service providers remains as before. Some staff is occasionally seconded to the private facilities from the District Health Management Teams (DHMTs). With the improved reporting of health information, the hierarchical health system of different facilities is now more integrated than before. The main problem lies in the relation-

ship between service providers and the people at the grassroots. This relationship still remains weak, especially in the provision of preventive services including health education.

In agriculture, the link between the Ministry of Agriculture, Animal Industry and Fisheries (MoAAIF) and local governments has not been worked out as clearly as in education and health. While PMA/NAADS is popular among recipient farmers, there needs to be further efforts to streamline the institutional arrangements on two fronts: the administrative coordination involving MoAAIF, LC 5 and LC 3; various farmers' groups, some of which were formed before NAADS started.

In the area of collaboration between local governments on the one hand and non-governmental organizations (NGOs) and community-based organizations (CBOs) on the other, there are a few interesting examples. In Rakai previously, Concern International directly supported LC 3 offices. But this method has proven to be unsustainable since it did not establish effective mechanisms between LC 5 and LC 3. Thus, Concern International changed the way in which they operate their project. They recently signed a memorandum of understanding with LC 5 to which the funds are given, and which in turn supports LC 3.¹⁰ This kind of learning and adaptation is a positive sign.

According to the Poverty Status Report 2005, MoLG is now developing a policy paper to foster more collaborative public-private partnerships (Uganda, MoFPED 2005: 107). If this policy is developed clearly, it is hoped to facilitate more partnerships.¹¹

Another type of partnership is the association of local governments, which has made progressive improvements both domestically and internationally. At the national level, Uganda Local Governments Association (ULGA), with donor support, has become more prominent year after year. ULGA annually negotiates with the central government on key issues by representing the views of local governments, which has resulted in more coherent and harmonized planning and budgeting systems between the central and local levels.¹²

Internationally, the ULGA is considered one of the leading associations in Africa. According to its Secretary General, perhaps the only comparable

¹⁰ The volume of financial assistance to LC 3 is quite big since roughly 50% of local revenue can be supported by Concern International.

¹¹ On the other hand, there are examples of NGOs abusing partnerships for their own patron-client networks. It is thus interesting to see how future practices will evolve.

¹² In some areas, associations of LC 3 have also been formed. But these new associations have not yet become as instrumental as ULGA.

association is one in South Africa. Uganda, together with Kenya, Tanzania, and Rwanda, has recently formed a regional association in East Africa. This new association provides opportunities for the members to exchange different experiences for mutual learning. This kind of exchange, it is hoped, will contribute to capacity building within their respective local governments.

8.7 Uganda at a Critical Crossroads?

We have seen both positive results and worrisome issues in the complex processes of decentralization in Uganda. This sort of mixed results in implementation of decentralization means that Uganda is now at a critical crossroads. There is a growing consensus that the implementation of decentralization measures in Uganda is now entering a new period. There are two schools of thought on how to interpret the current situation.

The first camp maintains that the new period is showing signs of progressive maturing. The LC system has provided opportunities for people to engage with the state locally. Recent policy initiatives (the Decentralization Policy Strategic Framework, DPSF, and the Local Government Sector Investment Plan, LGSIP, both in 2006) have contributed to improvement in the institutional framework of decentralization, which is more coherent and consistent than before. The recent (re)introduction of multi-party elections is also a sign that Ugandan society continues to learn something new. Some donors and foreign researchers tend to hold this view.

The second school contends that the current situation suffers from stagnation. The implementation so far has been impressive, but current developments do not necessarily suggest a further maturing. Instead, the process is currently at a standstill. The signs of dissatisfaction with services by the people, participation fatigue, together with the ill-effects of longevity by the current power holder, are often used as evidence. Some of the local administrators and Ugandan researchers belong to this group.

Indeed, the situation is mixed. This is perfectly understandable because the implementation of decentralization is very complicated. There are always both positive and negative aspects. While due attention must be paid to the negative aspects, there is need to avoid excessive pessimism.

One reason for a more hopeful view is that concern about the results of decentralized services has been increasing. Generally, it now appears that more attention is being paid to output rather than input, as well as to quality rather than quantity of services. There are plans to integrate monitoring mechanisms of quality and effectiveness of decentralized services under

the overall process of PEAP. Training is also being valued more as a way to professionalize daily duties rather than as invitations to (often ad hoc) seminars and workshops. This kind of shift is a sign of a deepening understanding on the part of stakeholders of decentralization measures.

8.8 Conclusions

With cautious optimism, ways to make meaningful exceptions to the rule should be explored. One critical issue is locally-generated revenue. For local governments to be politically autonomous, they need to have their own source of income. For that purpose, local tax needs to be reinstated. The tax issue is critical because of at least three reasons.

Politically, it is essential that tax payers engage with their governments for reasons of accountability. If there is no tax, people simply depend on outside resources which are either central government transfers or external aid. Local tax is one important instrument by which local people become “citizens” through the notion of accountability (Goetz and Jenkins 2005).¹³

Economically, without their own income, local governments cannot engage in development projects which require local cost sharing. Cost sharing is one of the effective mechanisms through which distorted clientelism can be curbed by bringing local projects under the control of tax payers. The LC system is a good forum in which discussions of publicly shared control of resources can take place.

Socially, even though the experiences so far do not show significant progress toward breaking neopatrimonialism, local tax provides one such window of hope. As a public resource subject to accountability, local tax has the potential to curb reciprocal relations between leaders and followers centered around the notion of rent. Once such reduction becomes a real possibility, it can form the basis of new patterns of social behavior instead of counting on often unreliable patrons.

If local taxation is re-instated, a designated portion needs to be distributed to different levels of the LC system. For the village level of LC 1, it would be around Uganda shilling 2,500 (US dollar 1.6) per person if allocation is done according to formula of the Local Governments Act, 1997 (Saito 2003). This is by no means an insignificant sum for villages to use meaningfully. In fact, many villages use this money for school furniture and other necessities (Saito 2003: 137). Controlling this source of funding

¹³ Even if the notion of citizenship was born in a particular historical context in the north, it is intertwined with values associated with the public sphere.

publicly through LC forum provides a promising avenue for creating practices in meeting the following criteria (Hyden 2006: 268):

- Shared control of public resources
- Open and readily available information
- Realizing demand driven services
- Awareness of civic duties cultivated by contribution in kind by local people: A step toward establishing a civil society
- Stimulate local capacity building

Once LC 1 handles this money through open and deliberate discussions, it is likely that this kind of new practice will change the behavior of local leaders and followers.¹⁴ Although meeting these conditions does not guarantee that the results of such processes are always pro-poor (Devas and Grant 2003), this kind of process is surely a promising avenue to pursue.

It is especially important to emphasize that this kind of garnering shared resources under public control locally has a potential to break the disastrous effects of elite capture. In Uganda, as elsewhere, elite capture, a situation whereby benefits of decentralization are monopolized by local elites, continues to be a serious problem. Especially where recruitment of administrators and election of politicians are “ethnicized,” officers and representatives clearly tend to consider that those who are of the same ethnicity are their followers.

Furthermore, elite capture allegedly reflects rationality in Africa. This rationality is embedded in informal reciprocal relations between patrons and clients; it makes sense for leaders to use followers as clients and also for followers to depend on elites for problem solving (Hyden 2006).

However, it can be overcome. Publicly shared management is one way to reduce the magnitude of this problem. Once a more accountable relationship between leaders and followers is built through improved dissemination of information and increased awareness of civil rights and duties, then both sides will consider elite capture more of a problem than an asset. When decisions are more openly shared with others, it becomes less necessary for both leaders and followers to depend on each other as “perverted” partners in informal reciprocity. Socio-culturally embedded rationality can change once the situation changes. Many Africans are aware that due to the changing circumstances, patron-client relations nowadays are becoming increasingly risky and unreliable. Thus, if there are alternatives, the chances for change are real.

¹⁴ This obviously may ultimately result in creating a new “culture,” which is often ignored in the literature of public administration reforms.

The most worrisome problem in preventing elite capture in Uganda, probably, is the prolonged stay in power by the NRM. When the state itself becomes more neopatrimonial (Rubongoya 2007), reforming local politics alone would be ineffective. This is especially the case because there is now a noticeable interaction between local and national politics. The recent (re)introduction of multiparty politics and elections can also be interpreted not as a real sign of democratization but as one of merely appeasing donors. The creation of opportunities for the marginalized to participate in decision making can also be an attempt of cooptation into the patronage system by the powerful (Hickey 2005).

Certainly it is difficult to refute this kind of pessimistic interpretation. However, any democratic transition is a slow and incremental process. It is too early to conclude that Uganda's multiparty democracy is a failure. If the kind of publicly-shared control of resources under the open management supported by the LC system is likely, it is still possible that the ill-effects of a neopatrimonial state may be mitigated. Even if there are some signs of participation fatigue, improving accountable relations between tax payers and local leaders points to a promise of change which deserves much more attention. It is thus essential to observe in which direction Uganda will tilt at this critical crossroads.

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9 Democratic Decentralization in Post-Apartheid South Africa

Purshottama Reddy and Brij Maharaj

9.1 Introduction

Since the late 1980s, the need for strong decentralized local government received increased impetus as “African states became subject to external as well as internal ‘democratic’ pressures” (Tordoff and Young 1994: 287). Mahwood (1992: vii) has argued that the demise of the “centralized party state” in many parts of Africa has resulted in a growing emphasis on “good government” at the local level. The focus on decentralization and local government is significant in a period of economic and political restructuring because “it tends to be an important manifestation of pluralist democracy” (Mahwood 1992: vii).

As Bratton and Rothchild (1992: 265) have emphasized, effective decentralization at local government level “depends on the legitimacy derived from broad based participation, fairness and accountability.” Decentralization is viewed as a political process in which “power and access to resources” feature prominently (Bossuyt and Gould 2000: 3). The counter-view is that the decentralization process is controlled by ruling elites which “can leave citizens and organizations at the grassroots level feeling alienated and excluded” (Bossuyt and Gould 2000: 4). In some cases decentralization to local authorities is taking place “by default because central government lacks the fiscal capacity to deliver basic services to its citizens” (Bossuyt and Gould 2000: 1). According to Shah and Thompson (2004: 2) “democratic decentralization implies directly elected local governments thereby making elected officials accountable to citizens.”

A major issue is the extent to which democratic decentralization provides opportunities for political participation, especially for the poor and marginalized. In South Africa the restructuring of local government is especially significant in the context of an emerging democracy, particularly

since this transformation “has taken place in a way that is probably unique from an international comparative perspective ... [because this] ... transition occurred simultaneously at a national and sub-national level” (Swilling et al. 1995: 16). Apartheid was a highly centralized, authoritarian and top-down system of government. Under the apartheid regime, all levels of government were racially based and there was separate representation for so-called Indians, Coloreds and Whites in Parliament and the Africans were denied access to national government. Ethnic local authorities were established for the different communities. Local governments in the apartheid cities were characterized by a “complex process of functional inclusion, spatial separation, and political exclusion” (Swilling et al. 1991: 175). The type of urban administration that developed was influenced by the view that blacks were “temporary sojourners” in white cities, and this was entrenched by the Urban Areas Act of 1923 (Swilling et al. 1991).

Apartheid started to change dramatically with the release from prison of political leaders and the unbanning of political organizations in 1990. The negotiations culminated in the approval of the interim constitution by the Multi-Party Negotiating Forum and its adoption by Parliament in 1993 (Reddy 1996: 58). Non-racial and democratic governments at national and provincial levels were ushered in from April 2004 following the first democratic elections. The Local Government Negotiating Forum (LGNF) created in March 2003 facilitated the local government restructuring process. It consisted of the “statutory” side (organized local government and provincial government) and the “non-statutory” side (led by the South African National Civics Organisation) and the negotiations ushered in the Local Government Transition Act, 1993 (Act 200 of 1993) and chapter 10 of the Interim Constitution which dealt with local government (Reddy 1996: 58). This chapter will critically review the legislative and policy frameworks for public participation in the context of decentralization. It will also critique some of the problem areas relative to implementation and practice, and highlight the challenges that have to be addressed.

9.2 Political System and Regime Type

South Africa is a large country geographically and has a land area of 1,219,912 square kilometers and a population of 44.8 million people, comprising four main ethnic groupings.¹ The population growth rate is currently 0.02%, and life expectancy is 45.43 years, as a result of the AIDS

¹ African (79%); White (9.6%); Colored (8.9%) and Indian (2.5%).

pandemic currently standing at 19.94%, which has ravaged the country (Kotze and Steyn 2003: 23).

A multiparty democracy has been in place since 1994 following the first democratic elections. South Africa is a unitary state divided into three spheres: central, local, and provincial. There are nine provinces and 283 municipalities in the country. The country is a constitutional democracy based on, *inter alia*, inclusiveness, representativeness, and accountability. It has an expansive and modern Bill of Rights, institutions of democracy, principles of co-operative government and a separate constitutional court with the necessary judicial authority to oversee constitutional compliance and protection (Msaseni 2001: 77). Fig. 9.1 provides an overview of the governmental system in South Africa (Davids et al. 2005: 54) (adapted). The preference for the word “sphere” as opposed to the word “tier” seeks to ensure that all levels of government were accorded equal status and treatment. The old term “tier” signifies a hierarchical relationship with local governments occupying the lowest level (Titus 2001: 19).

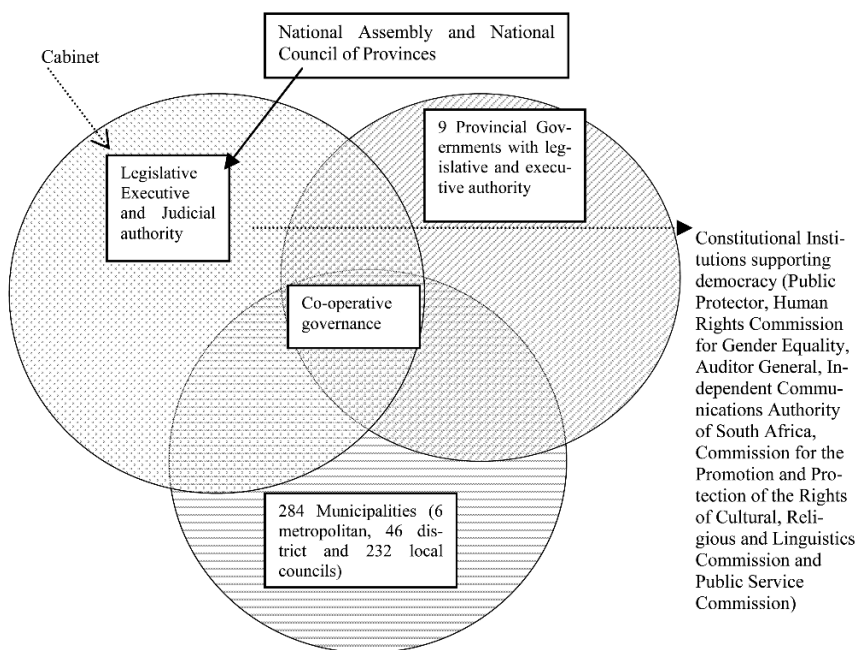


Fig. 9.1 Overview of governmental system in South Africa

A key consideration presently and in the future is that co-operation between spheres must, *inter alia*, facilitate the integrated delivery of services, ensure increased access to services, effective implementation of policy and legislation, accountability and sustainable development. A major challenge is to strengthen communication within the spheres of government and across the sectors. The key activities that have facilitated the evolution of democratic local government are depicted in Table 9.1.

Table 9.1 Key events towards democratic local government

1993	Non-racial and democratic transitional and metropolitan councils introduced through the Local Government Transition Act, 1993 (Act 119 of 1993) as amended by Act 2 and 3 of 1994);
1993	Ushering in of the Interim Constitution of the Republic of South Africa Act, 1993 (Act 200 of 1993);
1994	South Africa became a democratic country when the first democratic elections were held on 27 April 1994;
1995	The first democratic local government elections took place in seven provinces based on the Interim Constitution of 1 November 1995;
1996	Local elections were held in the remaining two provinces which at that stage were controlled by the opposition parties to the ANC;
1996	The final Constitution was introduced through the Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996);
1996	The Local Government Transition Amendment Act, 1996 (Act 97 of 1996) was introduced which made provision for integrated development planning, financial accountability and local economic development;
1997	The Green Paper on Local Government was launched;
1998	The White Paper on Local Government was released; The Local Government: Municipal Demarcation Act, 1998 (Act 117 of 1998) was introduced which reduced the number of municipalities from 843 to 284; Local Government: Municipal Structures Act, 1998 was introduced which defined the different types and categories of municipalities;
2000	The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) was introduced which regulated the internal functioning of municipalities;
2000	The second democratic local government elections took place as stipulated by the new Constitution on 5 December 2000;
2003	The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) was introduced to modernize municipal budgeting and financial management;
2004	The Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) was ushered in which regulated the municipal rating of properties;
2006	The third democratic local government elections took place on 31 March 2006

9.2.1 Macro-economic Context

The macro-economic context provided the foundation for developmental local government and influenced the decentralization process, especially in terms of the allocation of resources. It is also important to understand the socio-political forces which had a bearing on local government restructuring and decentralization.

The Reconstruction and Development Programme (RDP) emerged as the key strategy to address the social and economic inequalities of apartheid and to facilitate the transition to a non-racial democracy. The principles of the RDP were summarized by the African National Congress (ANC) as follows:

An integrated programme, based on the people, that provides peace and security for all and builds the nation, links reconstruction and development and deepens democracy (ANC 1994: 7, original emphasis).

The RDP had a strong basic needs and social justice orientation, and recognized that local authorities will have an important role in unleashing the “political and creative energies of the people and bring[ing] the government closer to the people” (RDP 1994: 22). It was “a people-driven process” and was drawn up by the ANC in consultation with progressive labor and non-government organizations (Munslow and FitzGerald 1997: 41). The RDP played an important role from a policy perspective to ensure the “successful transition from separate development towards a more sustainable development future” (Munslow and FitzGerald 1997: 60). Many believed that the RDP was very ambitious and utopian, filled with good intentions, but with no indication as to how this would be realized. Marais (1998: 192) described the RDP as a “patchwork of developmental activities” which attempted to alleviate poverty and inequality without addressing the structural forces that created these problems.

In June 1996 there was a significant shift in the government's macro-economic policy with the adoption of the Growth, Employment and Redistribution (GEAR) strategy, which placed the ANC “firmly in the neo-liberal camp” (Niksic 2004: 359). GEAR emphasized that economic development would be led by the private sector; there would be privatization of state owned enterprises; government expenditure (especially social services) would be reduced; exchange control regulations would be relaxed; and there would be a more flexible labor market (Republic of South Africa, RSA, Department of Finance 1996).

Contrary to the government rhetoric, GEAR, which emphasizes fiscal discipline, debt reduction and cuts in public spending, is viewed by many as a departure from the RDP. Local authorities would be forced to generate

a larger proportion of their own revenues, and there is a strong emphasis on public-private partnerships. Within an urban setting, this “means privatisation and the promotion of the principle of cost recovery which will reflect in inadequate subsidies targeted at the poor” (Parnell and Pieterse 1999: 75). It has been argued that such “administrative and fiscal decentralisation has links to neoliberalism” (Niksic 2004: 355). This was described as a “high risk strategy, since there exists no example internationally where neoliberal adjustment of the sort championed by President Thabo Mbeki and Finance Minister Trevor Manuel has produced a socially progressive outcome, especially in a country like South Africa, which is marked by extreme disparity and poverty” (Cheru 2001: 505).

The urban poor have suffered most from the restructuring and adjustment strategies and bear the brunt of reduced subsidies, increased cost of food and services, reduced wages, increasing unemployment, and reduced social expenditure (Amis 1995). Consequently, the majority of the malnourished poor in South Africa continues to live in informal settlements, with little or no basic services, and suffered frequent outbreaks of diseases (Simone 2004).

The provision of services under apartheid was also symbolic of the exclusionary nature of the system: black people were seen as “outsiders” in the urban system, a denial of their humanity and their citizenship. The privatization of basic services militates against the aim to build an inclusive society. The provision of a minimum level of service to disadvantaged areas re-emphasizes apartheid boundaries in the geography of service distribution (Bakker and Hemson 2000). It is becoming increasingly apparent that privatization of basic services has a particular spatial impact which is accentuated by the spatial impress of apartheid. Also, the shift to neoliberalism and the associated increase in unemployment meant that market forces (and the poor) rather than the apartheid legacy were seen as being responsible for socio-economic inequalities and deprivation (Gibson 2001).

9.3 Constitutional and Legal Basis for Democratic Local Government

Since 1993, a plethora of legislative and policy developments has shaped the new post-apartheid local government dispensation. A three-phase model for transforming local government was ushered in taking due cognizance of, *inter alia*, local democracy, redistribution, efficiency and effectiveness in a redefined developmental context. The Local Government

Transition Act, 1993 (Act 209 of 1993) constituted the basis for the first phase and laid the groundwork for legitimate local governments. The aim of the Act was to “create for an orderly transition to full democracy; to set a process in motion to move away from the present racially based local government and to address inequalities, structural, financial and other problems.”

The key challenges then were:

- i) how to democratize local government to ensure that it would be non-racial and legitimately representative of all people;
- ii) how to engender an adequately solid political alliance between the numerous competing interests at local, regional and central levels;
- iii) how to develop new structures in local governments which would manage and deliver services to communities disadvantaged by apartheid and also contribute to urban reconstruction and development;
- iv) how to restructure the workforce through training and retraining existing employees, and affirmative action recruitment, to ensure that there is racial and gender balances (Bennington and Hartley 1994: 7-8).

The second phase was marked by the first democratic local government elections held in 1995/96. The third and final phase has incorporated core pieces of legislation, namely Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1997); Local Government: Municipal Structures Act, 1998 (117 of 1998) and Local Government: Municipal Systems Act, 2000 (Act 32 of 2000). The December 2000 elections ended the transition period and reduced the number of municipalities nationally from 843 to 284 (C. Reddy 2005: 41).

Local government has been enshrined in chapter 7 of the Constitution, which is viewed as the epicenter of the government delivery system and key to poverty eradication initiatives (Mogale 2003: 227). Section 151 has defined the status of municipalities, namely:

- the local sphere consists of municipalities established for the entire country;
- the executive and legislative authority is vested in the municipal council;
- a municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation;
- national and provincial government may not impede a municipality’s ability or right to exercise its powers or perform its functions

All the municipalities² collectively put together constitute local government which is the third sphere of government in South Africa. In this context, local government includes metropolitan, district and local municipalities, as well as any utility or agency, wholly or partially owned by a municipality providing local government services under contractors or a municipality.

The objects of local governments as defined in section 152 (1) are to:

- provide democratic and accountable government;
- ensure the provision of services in a sustainable manner;
- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and organizations

The developmental role of local governments has been constitutionalized, and has its origins in the Reconstruction and Development Programme (adopted in 1994) which was the policy manifesto for the African National Congress (ANC) in the first democratic elections. The developmental backlogs of the past have been well documented and still permeate every aspect of South African society. The new local government mandate signifies a conceptual shift from municipalities serving as administrative service delivery agents to the promotion of developmental goals and principles.

More specifically, section 153 (a) of the Constitution stipulates the developmental duties of municipalities as follows, namely:

- (a) Structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community;
- (b) Promote the social and economic development potential of the community; and
- (c) Participate in national and provincial development programs

9.3.1 Developmental Local Government

The White Paper on Local Government (1998) provided the foundation for a new developmental local government (DLG) system, committed to

² The term “municipality” is used in a generic sense referring to those institutions/organizations entrusted with the local government function. It consists of elected councillors (constituting the municipal council) and appointed officials (constituting the municipal administration consisting of various functional departments such as town planning and building control, health and community services (Davids et al. 2005: 59).

working with citizens, groups and communities to create sustainable human settlements which provide for a decent quality of life and meet the social, economic and material needs of communities in a holistic way (Government Gazette 1998: 15). It also committed the Government to the process of decentralization as the national and provincial governments are constitutionally permitted to devolve powers and functions to local governments.

DLG exhorts local authorities to focus on achieving developmental outcomes, such as the provision of basic infrastructure and services; the creation of integrated cities and livable environments; the encouragement of local economic development initiatives; and the empowerment of communities. The aims of developmental local governments are maximizing social development and economic growth (stimulating local economies and job creation); integrating and coordinating development (mainly through integrated planning); democratizing development (harnessing the input and energy of local citizens), and leading and learning (building social capital at the local level to enable local solutions to address development problems) (RSA 1998: 18).

Three inter-linked approaches to help municipalities to effectively play a developmental role were proposed: “integrated development planning and budgeting; performance management; and working together with local citizens and partners” (Government Gazette 1998: 16). Manor has argued that “local authorities are laden with a huge number of highly complex tasks ... and they are so complicated, that the White Paper is in effect saying that there is little hope of their implementation unless technocrats (or at least bureaucrats) retain very substantial powers – so many powers that elected representatives will (on evidence from elsewhere) have too little influence to enable local government to work well” (2001: 7).

Trade unions and community organizations that usually represent the views of civil society in South Africa were critical of whether DLG would achieve its goals. While the DLG focuses on supplying basic services, the emphasis should be on meeting basic needs sustainably. This would only be possible if there were a funding system which would allow local authorities to fulfill these obligations. There was a failure to adequately consider the role that government intervention and funding can play in achieving the DLG objective of improving the quality of life of the poor (SAMWU 1997). The national government emphasized the role of the private sector in the delivery of services. This shift seems to be driven more by budgetary rather than efficiency concerns. The private sector, however, is driven by the profit motive and is unlikely to invest in poor areas where people cannot afford to pay for services.

9.4 Local Government Elections

The first chapter in the democratization of local government was brought to a satisfactory conclusion when elections were held in seven provinces on 1 November 1995. The elections in the Western Cape took place on 29 March 1996 as a result of disagreements and court challenges to the national government. Also Kwazulu Natal was contentious because this was the Province where the institution of traditional leadership was still quite powerful. The elections took place on 29 May 1996, as a result of delays due to, *inter alia*, demarcation disputes in the Durban Metropolitan Area, incorporation of traditional authorities in the urban areas, the inability to find a legal and politically acceptable solution for rural local government, voters roll fraud, and violence and unrest (Elections Task Group, undated: 3).

The registration process commenced on 27 January 1995 and it was a 90-day campaign resulting in 23 million potential voters being registered (Fray 1995: 2). It was a completely new concept to the majority of the citizenry as they had never been exposed to a democratic local government system.

The election results reflected trends demonstrated in the national elections held in April 1994, but with less enthusiasm and lower voter turnout (Streek 1995: 25). It was also felt that the resources, finances and organizational skills of the different political parties also influenced the results.

The 2000 local government elections included a ward component although still adhering to the principle of constitutionality. In terms of the current local government system, 50% of the municipal seats are allocated to a ward council while the remaining 50% are allocated to Proportional Representational Councillors (PR) councillors. The number of votes a party receives in the election will determine the number of PR councillors from that party (Sauer 2006: 1). Consequently, the 2000 elections were in fact the founding elections for the new dispensation.

The voter turnout for the December 2000 elections was 48.6% while invalid ballot papers represented 2.36% (Independent Electoral Commission 2000: 68). This was lower than the turnout figure for the national election held in 1999 which was 89%. The voter turnout in the 1995/96 municipal election was also 48% and this is in line with international norms where there are generally lower levels of interest in municipal than other elections. A total of 237 metropolitan and local councils were involved in the elections with 14,988 voting districts. The ANC won a total of 170 municipal councils, the Democratic Alliance (DA) 18 and the Inkatha Freedom Party (IFP) 36. There was no overall majority in 12 municipalities

(Independent Electoral Commission 2000: 68). Of the 8,037 councillors elected, 72% were men and 28% were women. The latter figure was made possible by the system of proportional representation as the number of women who won party and ward seats were 1,651 and 633 respectively. In the last local government election, the total number of women elected was 1,220 or 19.04% out of a total 6,408 seats (Fick 2001: 42). This can be attributed largely to the gender policy of the ruling African National Congress (ANC). The total number of women councillors in 2004 was 29.6%. Women councillors further made up 37.69% of the proportional representation system and a mere 17.45% of the ward system. There are currently 18 women out of a possible 284 municipal managers (Snyman 2005:40).

The March 2006 local government elections were used as a barometer to test the quality of the local democracy and more importantly the efficiency and effectiveness of the system in terms of improving the quality of life of local communities. There was a slight improvement of the voter turnout since the last election from 48.07% to 48.4%. The ANC won 66.3% (3,527 seats) of the vote and the Democratic Alliance 14.8% (646 seats); Inkatha Freedom Party 8.1% (233 seats), Independent Democrats 2.0% (123 seats), and National Democratic Convention 0.1%. It was evident that the ANC is still the popular choice as it took control of five metropolitan councils despite dissatisfaction with service delivery at the local level across the nation.

The national results have in fact raised questions whether the poll reflected growing confidence in the ANC, or a lack of confidence in opposition parties, or a combination of both. In this context, Schlemmer (2006) believes that the support the ANC has received now is much more conditional than in previous elections as it was quite obvious that the local communities were impatient with the slow pace of service delivery and engaged in protest action to vent their frustration. It was quite obvious that a large number of people were clearly frustrated with their social conditions and not prepared to vote simply out of loyalty and party faithfulness anymore. Nonetheless, the black majority still supported the ANC even though the party that was previously hailed as a liberation movement has not been able to resolve crucial social problems despite the ushering in of local democracy thirteen years ago (Natal Mercury, 18 January 2006). Some of the issues identified were housing, water and sanitation, electricity, roads, job opportunities, poverty alleviation, land and corruption (Allan 2006: 1-2; DDP 2006: 5). President Mbeki vowed to monitor the performance of local politicians more closely. In this context, ANC councillors were required to sign an anti-corruption pledge, live in the areas that they represent, and adhere to a code of conduct (Southall 2007:13). The ANC has acknowledged the need to conduct a skills audit and to introduce

more rigorous training for councillors and to employ more technically competent staff.

There were more independent candidates for this election, many of whom were former members of the ANC (Majova and Goldstone 2006). It is also believed the failure of the opposition, particularly at the local level, will in the future also strengthen the increasing number of independent candidates and local social movements (Brown and Mde 2006). While some opposition parties can and do attract disgruntled votes from the ANC, in the longer term, they are unable to hold on to, and consolidate, their gains as a result of an absence of any political programs to serve poor communities (Brown and Mde 2006: 5). In the final analysis, it would appear that the local communities accept that an imperfect ANC is still better than an opposition party that does not speak the language of the poor, so poll boycotts and other forms of protest become the only real outlet.

9.5 Local Government Staffing

Municipalities are responsible, and have the powers, for recruiting, disciplining and dismissing their own staff. There is no deployment of staff by the national government to the local level at present, although there are moves afoot to create a national public service inclusive of local government. The employers within the sector comprise metropolitan, district and local councils as well as municipal entities. There are currently 200,000 employees in the sector which constitutes approximately 5% of those in formal employment in South Africa (LGSETA, undated: 26; LGSETA 2005: 7). It is expected that employment in this sphere is unlikely to rise although service delivery is high on the agenda; a major constraint is the affordability factor. Employment growth and service delivery are hampered by the fact that there are no existing norms and standards for the staffing of municipalities (LGSETA 2005: 7).

The two officials that have to be appointed by the municipality by law are the Municipal Manager and the Chief Financial Officer, being the former the head of the paid service. Each municipality is responsible for determining its own municipal structure; however the general model followed is a municipal manager at the apex, then the heads of departments and thereafter the division/section heads (CLGF 2004: 141).

Local government staffing is subject to the provisions of acts of Parliament as well as provincial legislation. The current Constitution (Act 108 of 1996) contains certain provisions on labor relations (section 23) and Bill of Rights (section 36 (1)) which impacts on human resources management.

According to section 160 (1), a municipal council may employ personnel that are necessary for the effective performance of its functions. The most important legislation which has a direct bearing on human resources at the local level are the following:

- Labour Relations Act, 1995 (Act 66 of 1995) which regulates the membership of staff to trade unions;
- Employment Equity Act, 1998 (Act 55 of 1998) which provides for employment policies and practices which do not unfairly discriminate on the basis of race, sex, disability, pregnancy, marital status, ethnic or social origin, sexual orientation, opinion, culture, language, religion or belief (Craythorne 2003: 196-197; Cloete and Thornhill 2005: 187-191).

There has to be a positive linkage between the municipality, integrated development planning (IDP), and capacity building relative to sustainable and quality service delivery. On completion of the IDP, a municipal capacity and skills gap analysis should be undertaken to develop a capacity building and workplace skills plan in line with the Sector Education and Training Authority's priorities, sector skills plan, and grant disbursement criteria (SALGA 2003: 8). Furthermore, there has to be an alignment between the IDP sectoral strategies, municipal budgets, and human resources deployment (Kumar et al. 2003: 18).

However, the majority of the municipalities is not strategic in their thinking and operations, and have failed to develop a linkage between capacity development and integrated development planning. Capacity development is critical to the implementation of the integrated development plan and should be an integral part of the latter. Generic capacity problems includes, *inter alia*, municipal functionaries who are inexperienced and lack commitment being appointed; prevailing ideologies and organizational cultures protecting influential segmented vested interests adopting an obstructionist attitude resulting in corruption and nepotism; outdated local structures, processes and technologies not conducive to the new developmental paradigm; lack of funding and general conditions in the organization's environment beyond its control, namely regulatory practices; and national political imperatives and a centralized system with conflicting relationships (Cloete 2002: 287).

The skills which are lacking have been identified as strategic management (policy and leading, developing, monitoring and evaluating the IDPs); financial management; contract management with emphasis on good procurement practices; political and administrative leadership; project management; and adult basic education training and technical skills (Xaba 2005: 8-9). A profiling of all 284 municipalities highlighted the fact that 136 municipalities needed support by the national government in

terms of service delivery (Africa 2005: 25). There has been no shortage of training; however the impact on municipal performance is negligible. It would appear that training and development systems within local government have been poorly developed and lack co-ordination (Reddy 2006: 112). There are other factors apart from the skill levels and qualifications that have impacted negatively on municipal performance, namely the extent of development backlogs and matching funding; the dependency on equitable share as opposed to generating own revenue; indigence; management and administrative capacity; political relations; and efficiency of political decision making and integrated development planning (LGSETA 2005: 18-19). The establishment of a single unified public service inclusive of all spheres of government is unlikely to have an impact on the functions, skills and competencies required by local government. It will, however, have a significant impact on the conditions of service. It is envisaged that it will streamline and enhance intergovernmental relations and rationalize public sector training systems. It would provide an opportunity for developing a framework of minimum qualifications and competencies for different job categories; greater standardization of required performance standards and job descriptions, thereby impacting positively on the selection and recruitment processes within local government (LGSETA, undated: 17).

9.6 Local Government Financing

The income of municipalities is basically threefold: own income, equitable share, and intergovernmental transfers. Local government has been granted considerable taxation and borrowing powers by Section 229 and Section 230 A of the Constitution. However, these powers are subject to national legislation and regulations. In addition, the taxation powers are also limited in that they cannot “unreasonably prejudice national economic principles and economic activities.” Furthermore, deficit budgeting at the local sphere is prohibited. Municipalities have a constitutionally protected right to defined income, possible taxation includes property levies and service charges.

Section 227 entitles the local sphere to an “equitable share” of nationally raised revenue in order that it may “provide basic services and perform the functions allocated to it.” The funds are earmarked for capacity to provide residents with a basic level of services; certainty of funding; financial capability; and efficiency and effectiveness (CLGF 2006: 202). The Division of Revenue Act, which is modified annually to take account of

the current fiscal situation, is responsible for the determination of the equitable share of revenue. It is introduced annually by the Minister of Finance prior to the approval of the annual budget, and it sets out the allocations for the various spheres of government which are deemed to be equitable and fair and ensures transparency and accountability in the process (Kumar et al. 2003: 22). Local governments, unlike provincial governments which have a mismatch between expenditure and revenue, are largely regarded as being self-sufficient, raising most of their revenue from imposing rates on property, levies and user charges. Local government is excluded from income tax, value-added tax, general sales tax and customs duty. The metropolitan municipalities generally collect 94% of their own revenue while in the case of the poorer rural municipalities, they derive at least 92% of their income from transfers from provincial and national government. In this regard, Steytler (2005: 201) has pointed out that the majority of municipalities would appear to be self-sustainable, having been granted the required freedom to promote the interests of the local citizenry. South African local government is unique in that it generates 90% of its income from its own revenue, mainly from property rates and levies on services such as water and electricity, which has created a (false) notion of self-sustainability. However, as De Visser (2005: 84) points out, the constitutionally entrenched powers, added to their present financial potential does guarantee a significant degree of financial autonomy. Steytler (2003: 8) believes that translating that potential into income has been problematic as the accumulated debt owed to municipalities in 2003 was R 24.3 billion, arising from, *inter alia*, poverty, poor municipal billing, and non-payment for services inherited from the apartheid era. The lack of financial management capacity in local government has been a recurring problem (Whelan 2002: 240).

9.7 Accountability and Transparency

Public accountability at the local level has two dimensions, namely internal and external. Internal accountability refers to accountability within the municipality focusing on the interaction and relationship between the municipal functionaries. The Municipal Manager acts as a link between the officials, local politicians, and the local citizenry. Each department has a standing committee and the councillors are generally accountable to their political party, chairperson, the full council, the mayor and the local community.

In terms of external accountability, local municipalities are required to render account to the district municipality, the provincial department of lo-

cal government, the national Department of Provincial and Local Government, and other national departments for sector activities, e.g. water, health and environmental affairs. There are several statutory institutions established by the Constitution which are responsible for strengthening democracy which also plays a pivotal role in enhancing accountability, namely:

- the public protector who has the power to investigate and report on alleged and suspected misconduct at any sphere of government and take the required remedial action;
- the Auditor-general who is required to audit and report on the accounts and financial management of all municipalities; and
- the Human Rights Commission which is responsible for promoting human rights (CLGF 2006: 201; Sikakane 2006: 7).

The Constitution promotes ethical conduct. The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) has ushered in a code of conduct for councillors, while the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) has introduced a code of ethics for officials. However, the above-mentioned codes seem to be presenting a challenge to municipal functionaries in setting up the ideals of an ethical and corruption free-environment in local government (Reddy et al. 2003: X). Of late, there has been a marked increase in unethical conduct and corruption in local government. The primary causes of corruption are, *inter alia*, greed, lack of ethics, politicization of the municipal service, inefficient management, poor education/training of officials, culture of paternalism, public apathy, inter- and intra-party political tension and friction, which impact negatively on good governance and service delivery and a working environment characterized by inadequate resources, limited or ineffective control measures and oversight (Rangata 2006: 5-6; Van der Merwe 2006: 37). It has been acknowledged that the matter has to be addressed with urgency. The African National Congress (ANC) President, Mr. Mbeki, has acknowledged corruption as a major issue. In a speech on 8 January 2006, he urged branches to act as “front-line fighters against corruption and to ensure that nobody uses his or her position in government to steal from the people to line their pockets” (Laurence 2006). Laurence (2006) points out that Mbeki’s injunction amounts to an implicit admission that the Party needs to guard against careerists and miscreants in its own ranks who put self-enrichment before service to the people.

The local citizenry, politicians, and officials will have to ensure that there is full compliance with the new legislative framework that has been developed to counter corruption and enhance ethical conduct. The curbing of corruption and enhancing of ethical conduct would ensure that the pub-

lic interest is promoted by addressing the needs and desires of the local citizenry (Reddy et al. 2003: x).

9.7.1 Participatory Local Democracy and Decentralization

Public participation is an integral part of, and critical to, the process of local democracy. The Local Government: Municipal Structures Act, 1998 and the Local Government: Municipal Systems Act, 2000, provide a broad framework for a participatory local democracy. The latter has in Section 2 (b) reconceptualized the definition of a municipality as consisting of the political structures, the administration, and community. Furthermore, the rights and duties of the municipality and the community have been clearly spelt out, and municipalities in terms of Section 16 (1) have been instructed to develop a “culture of municipal governance that complements formal representative government with a system of participatory governance.” However, the legislation is quite clear in that the council came into being through a process of representative democracy and it has the legal and political right to govern, and participatory governance should not in any way impede this process (De Visser 2005: 99).

Provision has been made for external consultation processes in the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Municipal Finance Management Act, 2003 (Act 56 of 2003). The consultation process can be formal or informal and can, *inter alia*, include public meetings with residents, small businesses, provincial and national departments, and other entities. The formal consultation process takes place after the tabling of the draft budget, when the council convenes hearings on the draft budget and revisions to the integrated development plan. The above-mentioned informal consultations cease when the mayor tables the budget and revisions to the integrated development plan have been completed. The participatory budgetary system can only be a success if there is maximum participation by the local community and they have to be empowered in this regard which is a challenge.

There are several mechanisms in place to facilitate participation, namely integrated development planning, performance management, ward committees, and municipal service partnerships.

i) Integrated Development Planning

Integrated development planning (IDP) is an important strategy to help municipalities to become more developmental as they seek to co-ordinate a range of services and regulations, including land-use planning, household

infrastructure, environmental management, transport, health and education, safety and security, and housing (Government Gazette 1998: 39).

In order to fulfill their developmental mandate, all local authorities are required to produce IDPs for the short, medium, and long term by following these procedures:

- i) Assessing economic, social and environmental realities in the municipal area;
- ii) Consulting the community and developing a vision for development;
- iii) Conducting an audit of existing resources, skills and capacities;
- iv) Developing integrated frameworks and set goals to meet community needs; and
- v) Implementing projects and assessing impact and performance (Government Gazette 1998: 47).

The municipality must also allow for the local community to participate in the drafting of the IDP before it is submitted to Council for adoption. The IDP consolidates all municipal planning into a comprehensive strategy that is linked to the budget and reviewed and monitored annually by a system of performance management. There is an important intergovernmental aspect to the process in that it should be the focal point for national and provincial planning (De Visser 2005). However, more importantly, the municipality will benefit from the alignment of IDP sectoral strategies with municipal budgets and human resources deployment (Kumar et al. 2003: 18).

It is not possible to make a conclusive statement about the success of IDPs over the past few years without an in-depth study of the specific experiences of the 284 municipalities. Research conducted by the Department of Provincial and Local Government indicated that 37% (105) of the municipalities have the capacity to prepare effective IDPs and have integrated them in their core business processes; 35% (99) have the basic institutional capacity in place but require support to prepare and implement effective IDP's; and 28% (80) still do not have basic institutional capacity in place and are struggling to prepare effective IDP's (C. Reddy 2005: 44). There is a general sense that IDPs have been produced with limited national and provincial input, despite efforts by the municipalities to ensure their involvement. By the same token, provincial development strategies have generally been produced with limited reference to municipal plans or involvement of municipal leadership (SACN 2006: 4.63).

In the final analysis, ineffective IDPs and the lack of alignment between provincial and national strategies will result in uncoordinated and unsustainable development, thereby impacting negatively on public resources. However, there is acknowledgement that the IDP process has resulted in a

significant general improvement in strategic planning capacity over time. In addition, business planning and budget alignment with the IDP has also improved. The IDP as an explicit annual public statement of priorities together with the budget provides an important mechanism for accountability to the local citizenry and stakeholders (SACN 2006:4.58).

ii) Ward Committees

Legislation requires municipalities to set up ward committees to ensure effective community participation in the affairs of the municipality. Ward committees are community-based advisory committees with the ward councillor as chairperson. Given the challenges of service delivery, considerable emphasis has been placed on ward committees as a mechanism to facilitate community participation. The effectiveness of these committees has been variable with many structures becoming ineffective or dysfunctional (SACN 2006: 4.59). Research conducted recently (Barichievy et al. 2005) indicated that ward committees were not discharging their development mandate in terms of enhancing participatory democracy at the local level. There have been problems experienced in setting up ward committees as political parties have attempted to use them to control the local electorate to their own advantage. The ward committees should not be over institutionalized and elevated to administrative arms of the Council (De Visser 2005: 111). It would appear that these structures would require considerable nurturing and development if they are to be sustained as dynamic structures of local democracy and catalysts for local action. In this context, Nakedi (2004: 5) has noted that “ward committees if established and managed properly, can become the vehicles through which government can realize the vision of the Freedom Charter that the people shall govern.” In fact, there has to be a deeper and more substantial vision for these structures than currently exists (SACN 2006: 4.59) and, more importantly, there should be sufficient support, a conducive environment, and the required resources for them to become key institutions for social change and participatory development at the local level.

iii) Municipal Service Partnerships

The White Paper on Municipal Service Partnerships encourages partnerships between community-based organizations and municipalities. It pointed out that “partnership arrangements with community-based organizations (CBOs) and non-governmental organization (NGO) s can promote economic development, strengthen democracy and empower civil society at the local level” (RSA 2000: 15). Section 78 (3) of the Local Govern-

ment: Municipal Systems Act, 2000 (Act 32 of 2000) has stipulated that if a municipality intends using external service providers, this should be communicated to the local community whose views, and those of organized labor should be sought. There has to be community consultation and dissemination of information in relation to the service delivery agreement. However, the municipality is still responsible for service provision to the local community; monitoring its performance; discharging its obligations in relation to integrated development planning; and controlling, setting and adjusting tariffs.

The case for privatization has been strengthened of late in South Africa as municipalities currently lack technical, institutional, management and financial capacity to exercise their functions. There is, therefore, an urgent need to build the capacity of these institutions so that they can fulfill their obligations (Stewart 1997: 16). An implicit assumption in the privatization debate is that the "market is more efficient than government at providing basic services" (Bakker and Hemson 2000: 4). There are, however, limits to what poor communities can achieve without active government intervention (Stock 1995). On the other hand, it is imperative that the capacities of the community-based /non governmental organizations be developed if empowerment objectives and decentralization at the grassroots level is to be achieved and promoted. To increase the understanding of municipal service partnerships, presentations have been organized by experts to share experiences from successful national and international projects (Mogale 2003: 237).

There has to be a new willingness by all role players and stakeholders to enter into development partnerships where they have to move beyond their traditional powers and functions and work collectively to facilitate development strategies for the municipality. More specifically this new approach demands that:

- a new generation of development partnerships between municipalities, national and provincial government, the private sector, and the local citizenry will have to be developed to drive the transformation of municipalities given the limited resources. National and provincial government and the private sector will have to take local government more seriously. By the same token, municipalities will need to make a concerted effort to engage partners with resources;
- development partnerships have to be defined, configured and driven by a lead partner, which in most cases is the municipality; and
- development partnerships, led by municipalities, need to be guided by clearly defined and well justified outcomes shared by all partners (SACN 2004: 171).

9.8 Decentralization Challenges

Decentralization is an integral part of the new local government dispensation and there are mechanisms in place to facilitate it. However, there are challenges that will have to be addressed:

- Decentralization assignments are not being conducted properly as there are a large number of unfunded mandates. This has the effect of undermining local government. Sections 9 and 10 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) does provide protection in terms of the procedural requirements. However, it depends on how seriously the organ of state initiating the assignment takes the consultation and arguments put forward (De Visser 2005: 144);
- The technical skills and competence on the ground is problematic. A minimum number of skills are required to implement policies and programs. Some of the municipalities, both local and district, are experiencing difficulties even carrying out their basic functions. This has serious implications for the notion of developmental local government (RSA, DPLG 2003: 85);
- Provinces do not have the requisite staff to carry out their share of supervisory functions (Steytler 2005: 202) and do not have taxation sources of their own thus making them dependant on the national government. Consequently, the funds earmarked by the provinces for local government are being retained for their own use and they lack any effective “financial stick” or cannot keep municipalities in line (Steytler 2005: 202);
- Although the legal framework for public participation in local government is elaborate, it has yet to create a culture of sustainable community participation (De Visser 2005: 106). There has to be innovativeness and creativity around local policies and bylaws, and the proactive involvement of the local citizenry is critical to the process. The local citizenry should be fully acquainted with their rights and responsibilities (RSA, DPLG 2003: 10);
- Services should be managed at the lowest level in order to increase effectiveness. Provincial government and district municipalities have to play a supportive role in supervising local governments. The central and provincial governments have to increase strategic and monitoring capacity to provide strategic direction, redistribution and oversight (RSA, DPLG 2003: 10);
- While government is strongly committed to decentralization, it is not clear whether the district or local municipality should be the primary beneficiary of this policy and this has led to conflict between the district

and local municipalities (Cameron and Ismail 2006: 75). There has been no firm policy direction from the national government in this regard; and

- There is also a need to engender democratic decentralization in South Africa (Beall 2004).

It is evident that capacity is critical to the process of decentralization. Consequently, much needs to be done to ensure that the national, provincial and local governments develop the required capacity to facilitate the process, thereby ensuring that developmental objectives are reached and decentralization is entrenched in local governance.

9.9 Conclusion

This chapter has focused on the macro-policy context within which decentralization has been framed in post-apartheid South Africa. The strategy had combined “administrative, fiscal and popular elements” (Niksic 2004: 371). The intention of “democratic decentralization” was simultaneously “to equalise and to democratise” (Manor 2001: 3).

The ushering in of the new Constitution and, more specifically, developmental local government, has provided the basis for democratization and good governance at the local level. An integral part of the new dispensation is public participation. It is generally accepted that to secure effective and sustained participation at the local level, there has to be greater access to decentralized institutions and structures. The Constitution, the White Paper on Local Government, the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and the Local Government: Municipal Structures Act, 1998 (Act 32 of 1998) have firmly committed the Government to decentralization. However, much more needs to be done in terms of formalizing the process and entrenching it in local governance.

The devolution debate is critical to the rationalization of government powers. Notwithstanding the fact that a policy framework has been developed to facilitate decentralization, there are major challenges that have to be addressed, namely unfunded mandates, lack of capacity, provinces which are weak institutionally and financially, clarity on whether the beneficiaries are district or local municipalities, and a framework for public participation which is highly regulated and adversely affecting the process.

The policy provisions have placed particular emphasis on a developmental culture to be fostered among local administrations and for “local authorities to be structured in a way that ensures maximum participation of civil society and communities in decision making and developmental ini-

tiatives” (ANC 1994: 130-131). It has been argued that the “twin agenda that seeks to foster both democracy and development ... can cause, causing serious tension for the government and the people” (Niksic 2004: 358). The greatest challenge at present is the development of sustainable service delivery strategies that meet the needs of the local citizenry in the context of limited capacity and resources, inequitable and inefficient settlement patterns, and extremely high and increasing levels of poverty and inequality.

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10 The Challenges of Deepening Democracy in Post-Apartheid South Africa

Chris Tapscott

10.1 Introduction

Unlike many other countries in sub-Saharan Africa, post-apartheid South Africa has moved beyond political rhetoric in its efforts to decentralize administrative responsibilities to the local level. In a marked departure from the apartheid era, where local authorities had little delegated authority, the new Constitution of 1996 elevated the status of municipalities significantly. Local authorities are now recognized as a distinct tier of government with their own originating powers. Affirming that a “municipality has the right to govern on its own initiative the local government affairs of its community, subject to national and provincial legislation,” the Constitution further states that national and provincial governments “may not compromise or impede a municipality’s ability or right to exercise its powers or perform its functions” (Republic of South Africa, RSA 1996). Underlying this formulation, was the conviction that local government constitutes the foundation stone of democracy and represents the first line of service to local communities.

In giving effect to these provisions, the national government has, over the past 13 years, advanced a succession of legislative instruments and policy measures aimed at transferring key administrative functions to local government. In so doing, it has conformed to the best practices advocated by international funding agencies and by donor governments in the West. However, while the state’s efforts to devolve meaningful power to lower echelons of the administrative hierarchy have received plaudits in many quarters, it will be argued in this chapter that the preconditions for the effective decentralization of government are not yet in place in all parts of the country and that the policy has, in the short run at least, set many local authorities up for failure. In so doing, it may ultimately lead to reversals in

efforts to deepen democracy and to take government to the people. This is because the failure of municipal governments to deliver basic services and to create conditions conducive to local economic development will, it is maintained, create political pressures to re-centralize administration and control in provincial and national government. It has also given rise to widespread protest amongst communities, frustrated with the slow pace of service delivery. As a point of departure, it is of interest to consider the origins of the state structure in South Africa, as a means to contextualize current events.

10.2 The Structure of the State during the Apartheid Era

The origins of the South African state during the apartheid era can be traced back to the South African Constitution Act of 1909. This Act, which came into effect in 1910, served to unite the Boer republics and the British colonies into one sovereign state. In the process, it also set in motion a train of legislation which effectively excluded blacks from the legislative process and culminated in the racial separatism of Apartheid. In order to accommodate the political identities of these four disparate entities, the Act departed from the two-tiered Westminster system and interposed a tier of provincial government (comprising four provinces) between national and local government.

The Provincial Councils derived their legislative power from the South Africa Act and although they were subordinate to the national legislature, they also possessed originating powers in the promulgation of laws and ordinances. That is to say, although there was no question of legislative competition between central government and the provinces, decisions of a provincial government, in theory, could not be repealed unless they were repugnant to something either expressed or implied in an Act of parliament (De van Winsen et al. 1953: 32). However, the real locus of power within provincial government lay in the office of the Administrator, who was appointed by the prime minister (and subsequently the state president) as the chief executive of the provincial council. A partisan of the party in office, the Administrator was appointed for a period of five years and was, in effect, an agent of the central government with the rank of deputy minister (Vosloo et al. 1974).

Because the provincial administrators were political appointees of the ruling party, and because they wielded such extensive power and influence both over the provincial council and the administration, there was little if any tension between central and provincial government. Provincial gov-

ernments, to all intents and purposes, represented regional branches of the central government. Inter-governmental relations under these circumstances became largely a technocratic issue, concerned with the co-ordination of activities and the integration of concurrent responsibilities such as health, education, roads, etc.

The relationship between provincial and local tiers of government, however, was of an entirely different nature and was the source of frequent conflict. In the first instance, municipalities derived their power from provincial ordinances and not from the central legislature. Local authorities had no originating powers and were prohibited from carrying out any activity that was not specifically defined by central or provincial ordinances (De van Winsen et al. 1953: 2). The powers of the Provincial Administrator over local authorities was extensive, and over and above the promulgation of ordinances, he (there were at no time women administrators) had the right to repeal, at his discretion, any regulation made by local government, to call for municipal elections, and to enforce by-laws and other legislation.

Despite these wide ranging powers, relationships between the central government and several of the larger local governments were often conflictual. This was because these municipal councils were dominated by individuals who opposed the ruling party politically and, in a number of well publicized incidents, contested the implementation of certain of the more abhorrent apartheid policies.¹ In the face of this intransigence and in an effort to facilitate the implementation of apartheid policy, the central government further proscribed local responsibilities and de-concentrated its own authority through regional offices. In this context, local government wielded minimal power and was seen by the public largely as a service agency, rather than as a tier of government. This was reflected in the extremely low participation in what was supposed to be grass roots democracy. In any event, African, Indian and Colored voters had been removed from the voters' roll (registration).

In terms of the Constitution, responsibility for the provision of basic services fell to local government. In practice, however, local authorities were seldom permitted to perform these functions solely on their own. This was, as indicated, due to the fact that government power under the apartheid regime was de-concentrated rather than decentralized. That is to say, instead of a devolution of authority, there was a dispersion of control through agencies which derived their power either from provincial coun-

¹ One such example was the case in Cape Town, where the City Council overtly resisted the removal and resettlement of Colored and African communities during the 1970s and 1980s.

cils or, in most cases, directly from the central legislature. The implications of this practice were several. In the first instance, the disempowerment of local government reduced democratic processes at this level (such as they existed) to a meaningless exercise. In the second instance, the authority of municipalities was severely undermined, while in the third, the excessive fragmentation of authority made coordinated planning in urban areas impossible.

The absence of a unified administrative structure, as well as the differential allocation of resources to the different racial groups, ensured widespread variations in the quality and quantity of services delivered to communities across the country. The extent of civic engagement was confined to Management Committees, on the part of the Colored and Indian Communities, and to Advisory Boards, on the part of the African community. Although the representatives of these structures were ostensibly elected (some were appointed by provincial officials), they lacked all deliberative powers and merely advised the municipality or the central government departments on matters pertaining to their communities. The advisory boards, in particular, lacked any legitimacy in that their members were perceived to be stooges of the state and, in the latter stages of apartheid, they became the target of violent attacks.

As a consequence of this state of affairs, the concept of citizenship in South Africa at large was limited to white South Africans. The African population, under the grand scheme of apartheid, was supposed to realize their citizenship in ten designated ethnic homelands. The Colored and Indian communities occupied a more ambivalent political space. Although not as closely regulated as the African population, they nevertheless were deprived of the privileges of citizenship. In the absence of any compact between citizens and the state, there was little prospect that communities could be mobilized to participate in programs of socio-economic development. Indeed, during the latter stages of the anti-apartheid struggle both African and Colored communities were successfully mobilized to achieve the opposite goal, namely to make the state ungovernable.

10.3 The Structure of the State in the Post-Apartheid Era

The adoption of an interim Constitution in 1994 and a final one in late 1996 represented the formal and final repudiation of apartheid rule. Significantly, the new Constitution also specified the configuration of the state and stipulated that there will be “national, provincial, and local spheres of government” and that these will be “distinctive, interdependent and inter-

related” (RSA 1996: para. 40.1). The decision to describe the different levels of government as “spheres” rather than “tiers” was a conscious attempt to move away from the notion of a hierarchy with all the connotations of subordination. In practice, however, this has not generally proven to be the case, as the essence of hierarchy remains prevalent in inter-governmental relations.

The advent of democracy was accompanied by a massive program of reform, aimed at making the state more legitimate and accountable to the South African population as a whole. In an attempt to overcome the racial and ethnic divisions of the apartheid order, all existing administrative and political boundaries were abolished, the ten ethnic homelands were reintegrated into the administrative system and nine new provinces were established. In addition to the establishment of new provinces, an extensive program to delimit new municipalities was embarked upon. This was because, hitherto, all local authorities had been racially segregated regardless of the geographic or economic integrity of an area. In addition, a large proportion of the black population (particularly those in the rural areas) had been excluded from the system of local government and had had no opportunity to participate in local political institutions.

Responsibility for the establishment of municipalities, according to the Constitution, rests with provincial governments, which are also responsible for promoting the capacity of local governments to perform their functions and to manage their own affairs. The powers and competencies assigned to municipal governments are narrowly prescribed, but they have “the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of ... (their) functions” (RSA 1996: para. 156.5).

In addition to this, national and provincial governments must delegate to municipalities the administration of matters “that would most effectively be administered locally; and [if] the municipality has the capacity to administer it” (RSA 1996: para. 156.4). Where a municipality cannot or does not fulfill an executive obligation in terms of legislation, the relevant provincial executive may intervene by issuing a directive to the municipal council, or by assuming responsibility for the relevant obligation. The conditions under which such an intervention might take place would include instances where essential national standards for the rendering of services were not being maintained, where economic unity was threatened, or where a municipal council’s actions were prejudicial to another municipality or to the province as a whole.

The Municipal Structures Act of 1998 provides for three categories of municipality: Category A municipalities, which have exclusive municipal executive and legislative authority in their area and which are associated

with metropolitan government; Category B municipalities, which share municipal executive and legislative authority in their area with a Category C municipality within whose area they fall and which, typically, are local municipalities; and Category C municipalities, which have municipal executive and legislative authority in an area which includes more than one municipality and which are known as district councils (RSA 1998). The new district local government system thus combines one big and several small municipalities operating in a single space. The district council provides district wide planning and co-ordination as well as direct service provision in a district management area, while local councils deliver services within the context of a district development plan.

10.4 Transition and Crisis

A feature of local government in South Africa since 1994, as intimated in the previous chapter by Reddy and Maharaj, is the fact that it has been in a constant state of transition. In the first instance, as indicated, an extensive re-delimitation program was embarked upon, both to reconfigure the racially segregated constituencies of the past and to extend municipal government to the black population (particularly those in the rural areas) hitherto denied participation in local government. The outcome of this exercise was the establishment of more than 800 municipalities across the country. A substantial proportion of these municipalities, however, existed in little more than name. In attempting to redress these shortcomings, and to establish more operationally functional entities, a further re-delimitation was undertaken in the late 1990s, reducing the number of municipalities to 283. This program served to aggregate the many small municipalities into a series of larger structures, on the understanding that greater economies of scale (in terms of human resources, revenue and infrastructure) would promote a more effective system of administration. The evidence from the central government's own reports reveals that the process of amalgamation has done little to enhance the overall performance of municipal government, and may, in certain instances, have contributed to its deterioration. In part, this has been due to the fact that the process of amalgamation frequently incorporated two or more towns, separated by as much as 50 kilometers, into one municipality. In so doing it has aggravated communication problems and administrative coordination. In addition, a lack of administrative capacity, as will be discussed, remains a major challenge for a large proportion of municipalities.

Despite the obvious importance of municipal government to the system of governance, local government in South Africa is in crisis.² This is a reality recognized in the 1998 government White Paper on Local Government, which states: “Combined with service backlogs, collapsed or deteriorating infrastructure, and deteriorating credit worthiness and borrowing capacity, municipalities are experiencing financial stress, and in some instances crisis” (RSA, DCDPA 1998: 8). In some areas municipal authority can not be considered operationally functional, while only a small proportion of municipalities may be considered administratively effective.

10.5 Administrative Incapacity

Amongst the most pressing challenges confronting the ANC government on its ascension to power in April 1994, was the transformation and reform of the apartheid state. This transformation was necessary both to ensure the legitimacy of the state (hitherto white male dominated and autocratic) and to create a bureaucracy capable of delivering services to all of the country’s citizens in an efficient and effective manner. The challenge was formidable in that the state inherited by the new government was essentially racist in orientation, had undergone little adaptation over the preceding three decades, and was eminently unsuited to drive the development of a democratic South African society.

Not only was the new state charged with responsibility for the rapid delivery of social services to a majority hitherto deprived, for stimulating an economy which had suffered severe reversals in the latter years of apartheid, and for promoting a non-racial and democratic ethos, but it was also expected to do so in the context of an administrative system in flux and staffed, for the most part, by officials who had either had little experience of a developmental state or who had had little prior administrative experience.

It is perhaps not surprising that the refrain “strong on policy weak on implementation” has frequently been uttered when describing the performance of the new government. In reality, the policies introduced are, in many instances, completely incompatible with the administrative capacities of implementing agencies; here reference is to the knowledge and skills of public officials (particularly at middle management levels), to

² It is important to note that by no means all municipalities in South Africa are in crises. The larger municipalities tend to have a long institutional memory to draw upon, while the communities they serve have a better understanding of their expected roles as citizens.

poor job definitions, to ill-formed administrative systems, and to the prevailing culture and ethos of the public sector. With regard to the latter, a major thrust of the early transformation program, was on the training of senior managers in the public sector. Those individuals who underwent training were introduced to the techniques of policy formulation, strategic planning, budgeting, and human resource management. Relatively little attention, however, was paid to the context in which this training was introduced, and few programs addressed the need to systematically transform work environments. Equally problematic was the fact that little or no attention was paid to the strengthening of basic administrative skills and reform of the systems which they supported. In the drive to establish a more proactive and flexible system of public management, the need to strengthen routine administrative functions was frequently neglected.

The outcome of this state of affairs has been a bureaucracy which has been only partially transformed. However, public services, like nature, abhor vacuums. In the absence of new work routines, of new procedures and a new work ethos, the practice of the public sector, in many instances, has returned to its default position. In that respect, the enduring institutional memory of many government agencies (whether at national, provincial or local level) is that of the apartheid administration. This administrative order was characterized by a lack of transparency, by arrogance, and by a disregard for individual integrity, which, as might be expected, gave rise to a strong degree of generalized distrust. It is in this context, partially, that we can understand the tyranny of petty bureaucrats at the local level and their seeming disinterest in effective service delivery.

The lack of administrative capacity has given rise to a crisis of popular expectations. At the most basic level, citizens vote a political party into office and pay their taxes in the expectation that the government will serve their needs, whether this be the creation of jobs, the provision of services, or merely the retention of the status quo. Where governments are persistently incapable of fulfilling the commitments made to their constituencies, disillusionment inevitably ensues. This state of affairs has been a characteristic of many local governments in South Africa.

For the majority of the population who benefited little from the apartheid state, there are high expectations that the new government will assist them in the development of their livelihoods. This expectation extends to the local level, where municipalities have been presented as the first line of government. The inability of local governments to deliver basic needs is some times seen as a further instance of the government's disinterest in the poor. The incapacity of local governments, as indicated above, is partly attributable to the misdirection of training, but it is also due to the fact that many new and small municipalities simply do not have staff that are suffi-

ciently trained and experienced to undertake the increasingly complex tasks assigned to municipalities. This is due to the fact that more skilled and experienced staff is drawn to the larger urban centers and to higher echelons of government, where salaries are higher.

In its efforts to ensure the even transformation of South African society and to avoid residual enclaves of racism, the government has pursued a uniform "one-size-fits-all" approach in its system of devolution at both provincial and local levels. Thus, while the Municipal Structures Act of 1998 makes provision for three categories of municipal government (metropolitan, district and local), these are determined largely by geographical area and demography rather than by any consideration of the administrative capacity of these structures. Under this system, a newly established municipality in a predominantly poor former homeland is assigned the same responsibilities as a formerly white urban municipality, with an established administrative regimen and effective financial management. The development demands placed on these municipalities, nevertheless, is the same. In that respect, the approach runs the risk, inadvertently, of reproducing the very relations of power and the very patterns of poverty which it is seeking to overcome. This is because well-established municipalities, located in more affluent urban areas, are likely to be the ones which will be able to avail themselves of existing support grants and to succeed under the new dispensation.

District councils, in particular, are expected to play a central developmental role and their duties include the preparation of district-wide integrated development plans (IDPs), including land use, development and transport planning, and the provision and co-ordination of bulk infrastructure that serves local municipalities. In addition, district councils are also responsible for the provision of such new facilities as fire fighting services, cemeteries, markets, abattoirs, and health services among others. They are also responsible for such economic roles as the promotion of tourism, transport, and public works (RSA, DCD 1999: 11).

The Municipal Systems Bill, promulgated in August 1999, established a framework for planning, for performance management, and for the effective use of resources (RSA, Minister for Provincial and Local Government 1999). Following the dictates of the Bill, each newly elected council must, within a prescribed period, prepare and adopt an inclusive plan which aligns the projects, programs, budgets and other council resources with the sustainable development priorities of the community (DBSA 2000: 5). This Integrated Development Plan is a management tool which is intended to facilitate the establishment of a policy framework against which annual budgets must be drawn up. It is intended that the IDP will reflect a council's vision for the long-term development of its municipality with empha-

sis on socio-economic and internal transformation. The Bill also regulates public-private partnerships (PPPs) and allows municipalities significant powers to corporatize their services, establish utilities for service delivery, or enter into partnerships with other service providers. Although some municipalities have managed to establish effective PPPs, the spread of this type of arrangement, in general, has been limited, in part due to a lack of capacity to set up and manage such partnerships.

Recent experience has shown that the majority of local governments are incapable of meeting the challenges outlined above. In part, this is due to the fact that local governments which hitherto have struggled to provide such basic services as refuse removal, sewerage, and water, have been assigned additional roles in local economic development and job creation. Aggravating this state of affairs is the fact that the changes imposed on local authorities have not been introduced progressively, and they have been expected to fulfill their new obligations with, virtually, immediate effect. As a consequence of these administrative shortcomings, there has been widespread disillusionment with the performance of municipalities as the populations lose trust in the institution of local government and appeal to higher levels of government for assistance.

10.6 Local Politics and Limited Local Trust

From the above, it is clear that weaknesses in the performance of local government may be ascribed to a variety of factors, including limited administrative capacity, a lack of skilled personnel, inadequate infrastructure, and a shortage of financial resources amongst others. However, while it is certain that these factors do, individually and collectively, influence the performance of municipal government, they do not, in themselves, provide adequate explanation for the shortcomings of a substantive number of local authorities in South Africa. In particular, they fail to explain why, despite the existence of a democratically elected and politically legitimate national government, so many citizens, and particularly the poor, appear to have little or no faith in the workings of local government, either as a first tier of democracy or as a key provider of services. A study conducted in 1997, for example, found that just 31% of the population trusted their local councils to do what was right “all” or “most of the time,” as opposed to 48% for the national government (Taylor and Mattes 1998: 4). In addition, a survey by the Washington Post and others found that while 41% of respondents in a national survey rated the performance of the national government as being either good or excellent, only 30% reported the same for local government.

Table 10.1 Public satisfaction of the overall performance of national and local governments (%)

	National Government	Provincial Government	Local Government
Excellent	15	9	9
Good	26	27	21
Only Fair	40	39	33
Poor	17	23	35
Don't Know	2	2	2

Source: The Washington Post et al. 2004: Table 2.8.

In a seeming perversion of the ideals of local democracy, the more removed the level of government, the greater was the degree of confidence expressed in its role and performance.

Along with this lack of trust, is a general unwillingness to pay taxes or tariffs into municipal coffers or to participate in the process of local governance. As a consequence of this state of affairs local councils lack popular support and legitimacy. At the same time, they are also able to operate with limited public accountability. In this context, corruption has become endemic, public funds are frequently misappropriated, and service delivery is generally poor or non-existent. This cycle leads to further public disillusionment and further withdrawal from the process of local government, as the local citizenry look to provincial government and, increasingly, to central government for administrative services (Tapscott 2004: 83).

The lack of trust at the local level manifests itself, in the first instance, in low municipal polls. Under these circumstances, many of the local government councillors assuming office do so without a broad popular mandate. However, while they might lack popular support and legitimacy, they are also free from constant local scrutiny and hence are not accountable for their actions. In the model of local government practiced in the former white municipalities, and derived from the liberal Westminster model, the stipend (some US dollar 600 per month) paid to local councillors was intended to cover incidental expenses. The current payment of a significantly larger stipend (of more than US dollar 2,500 per month) paid to office bearers in poor communities represents a significant income. Under these circumstances, the pressure to stay in office is as much about the maintenance of a livelihood as it is about retention of political influence. This state of affairs, as will be seen, is aggravated by the fact that the existing electoral system limits the accountability which councillors have towards their constituencies.

The combination of low polls and limited accountability frequently encourages the development of both corruption and clientelism. Since office bearers need only depend on the support of a small proportion of the community for re-election, a tendency emerges for some councillors to address the needs of this select group (for example, in the allocation of municipal housing, jobs, etc.) at the expense of the community as a whole. A further manifestation of this tendency is the direct intervention of politicians in the administrative affairs of a municipality. This process, moreover, has tended to be self-perpetuating. The more local politicians service their client networks, the less they are able to address welfare needs equitably, the more the community at large loses faith in the system of local democracy, the less the accountability of elected officials, and so forth. This iterative process constrains the development of social capital. It also serves to limit the extent to which local populations feel motivated to participate in local democratic processes.

At the local level, the objectives of municipal government, as set out by the Constitution, include providing “democratic and accountable government for local communities” and encouraging “the involvement of communities and community organizations in the matters of local government” (RSA 1996: para. 152). However, a number of other provisions in the Constitution, together with their enabling legislation, it is argued, serve to limit democratic accountability and undermine public trust in local politicians and, indeed, in the system of local government in its entirety. In the first instance, the Constitution makes provision for a hybrid electoral system which sees half of the councillors in a municipal council elected according to a system of proportional representation and the rest according to ward representation. In both instances, the accountability of the elected officials to their constituencies is questionable, in that all candidates are selected by the party political leadership. In the case of candidates elected on the proportional representation list, their accountability, not unexpectedly, is typically to the party leadership who supported their candidature rather than to ward communities to which they are subsequently assigned. The sense that councillors view their constituents in purely instrumental terms is aptly captured in the words of a resident of Khayalitsha, protesting against the inadequacy of municipal service. “Local councilors,” he asserts, “only use us as a ladder to higher positions. During election time, they canvass for our support and promise us everything, but once that is over they desert us.”³ This view is supported by the findings of an Afrobarometer survey conducted in 2005, which found that, nationally, only 14% of community

³ Khayalitsha protester Xolile Mlumbi, quoted in Maposa (2005).

members knew the name of their elected local government councillor (Logan et al. 2006: 11).

A further factor which serves to limit public confidence in the commitment of local political representatives is the constitutional provision for floor-crossing of elected councillors.⁴ Under this provision, twice in each term of office the elected representatives of political parties may cross the floor to another party for a limited duration of time. This process not only betrays the mandate given to councillors by their constituencies, but it can also change the balance of power in closely contested municipalities, where a defection can tip the balance of power in favor of the opposition. The response of the electorate towards this practice has generally been one of cynicism at the self-serving political expediency of elected office bearers leading, in turn, to an alienation from the political process (Faull 2004; Merten 2004). Thus, a survey conducted in 2004 by the Washington Post, the Kaiser Family Foundation and Harvard University found that 63% of respondents felt “some” or “strong” disapproval of floor crossing (The Washington Post et al. 2004).

10.7 The Formalistic Dimensions of Participatory Democracy

Formalistically, the constitutional and legislative framework for the realization of citizenship through popular participation in decision-making is well established in South Africa. This ideal was given effect in the 1996 Constitution, which stipulates that “[p]eoples’ needs must be responded to and the public must be encouraged to participate in policy making” and asserts that “[p]ublic administration must be accountable” (RSA 1996: sections 195 (1) e and f). The Constitution also stipulates that national legislation must ensure that these values and principles are promoted. To that end, a plethora of legislation has been enacted which explicitly charges different state structures with responsibility for the promotion of citizens’ participation.

Building on this theme, the 1998 White Paper on Local Government espoused the need for what it termed “developmental local government,” an approach which commits municipalities “to work together with local communities to find sustainable ways to meet their needs and improve the quality of their lives” (RSA, DCDPA 1998: Section B). Implicit in this ap-

⁴ Floor Crossing provisions exist in the Constitution of South Africa Amendment Act 18 of 2002 (Item 4(2) of Schedule 6A) and in the Local Government: Municipal Structures Act 20 of 2002.

proach is the need for local government to actively promote the participation of their citizens, and, particularly, those from marginalized sections of the community. The idea of grassroots participation in local systems of governance was given further expression in the Local Government Municipal Services Act of 2000, which explicitly instructed municipalities to “establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality” (RSA 2000: section 17.2). According to the Act:

A municipality must develop a culture of municipal government that complements formal representative government with a system of participatory governance, and must for this purpose... encourage and create conditions for the local community to participate in the affairs of the municipality [and] contribute to building the capacity of (i) the local community to enable it to participate in the affairs of the municipality and (ii) councillors and staff to foster community participation (RSA 2000: section 16.1).

Despite the best intentions of legislators and policy makers, however, it is evident that the majority of municipalities have, thus far, failed to give effect to the principles of participatory democracy. Indeed, public frustration with what are perceived to be meaningless exercises in participation through ward committees, public meetings (known in the vernacular as *imbizos*) and the like, is steadily growing.

10.8 Rejection of the Participatory Model

Widespread disillusionment with the performance of municipalities has become increasingly apparent as communities have lost trust in the institution of local government and appeal to higher levels of government for assistance. The recent nationwide protests against poor service delivery at local government level reflect the concerns of a citizenry which is growing tired with the rhetoric of participation and empowerment without any material gain.⁵ In this context, citizens have created their own popular spaces for participation which entail mass protest, with sometimes violent overtones. In that respect, it is evident that many communities have reverted to the forms of engagement with the state which characterized the struggle against apartheid. Commenting on widespread protest in her province, the

⁵ These protests have taken place in most of South Africa’s nine provinces. “‘We *toyi-toyi* to get attention’ As townships turn to violent protests over service delivery, heat turns on councilors” (Tabane 2004).

chairperson of a provincial legislature portfolio committee on local government stated that:

Residents told us that for them to be heard they had to *toyi-toyi* (demonstrate) to receive attention from the provincial and national government. It appeared that the ward committees were not working or that those who were protesting were not involved in committees.⁶

Throughout the countrywide protests over a lack of housing, poor service delivery and unemployment, there is a sense of disappointment that communities have been compelled to seek alternative channels to be heard, since the participatory forums in place have failed to yield results. This perspective is perhaps best captured in the words of an individual from Khayalitsha, who justifies protest action as follows:

People who live in shacks that are made of zinc material get shocked by the electricity, and that's very dangerous. We can get burnt at any time in this place. The city seems unconcerned by all our problems. Our children are also at risk of getting cholera. We live in a low lying area with no essential services. When it rains the water just sits there in small pools for days and ends up getting filthy. Children play with this water and get skin problems. There are no toilets. People relieve themselves anywhere. This exposes people, especially small children, to health risks. Nothing seems to happen from the city's side. We are not protesting because we like it; we protest because we've been living in appalling conditions for years. It also seems that protest is the only language that is understood by government officials.⁷

Aggravating this situation has been a refusal on the part of some government officials to recognize the legitimacy of these alternative forms of participation as evident in the following quote:

We've waited for too long, and nothing has happened. We have been protesting for housing in the past two months and nothing has been done about that. We are being ignored by our leaders and by the government. The mayor, Noma-India Mfeketo, even told us that she won't speak to protesting people.⁸

These manifestations of popular dissatisfaction, however, have tended to be diffuse and episodic. In part this has to do with the new forms of social organization which appear to be emerging at both national and local levels. These differ from the massed based movements of the past, in the extent to which they are non-linear, discontinuous, fragmented and differentiated. This is evidenced, for example, in the distinct disconnect between commu-

⁶ Anna Buthelezi, Chair of the Free State Legislature Portfolio Committee on local government, quoted in Tabane (2004).

⁷ Khayalitsha protester, Nolusindiso Nqola, quoted in Maposa (2005).

⁸ Khayalitsha protester Xolile Mlumbi, quoted in Maposa (2005).

nities engagement with the system of representative democracy and their simultaneous rejection of participatory democracy. Thus, despite widespread dissatisfaction with the performance of local government in the months leading up to the 2006 municipal elections, the percentage poll of 48% was the same as it had been in the 2000 local elections. Similarly, the ruling ANC increased its majority from 60% in 2000 to 66% in 2006 (Independent Electoral Commission 2006). This trend, counter-intuitive as it might be, is reflective of the fact that many communities still retain a strong affiliation to the ruling party, as the party of liberation, whilst condemning its local leaders

10.9 Conclusion

While it is still too soon to pronounce South Africa's experiment in devolution a failure, a number of emerging trends, detailed above, are of concern for the future development of local democratic structures. If these trends persist, and if corrective measures are not introduced, it seems likely that few local governments in South Africa will be able to meet the developmental challenges set for them. This is in part due to the fact that policy formulators have placed expectations on local governments which are beyond their administrative capacity to deliver, but is also due to the fact the South African social formation is, to a considerable extent, path-determined, and the legacy of distrust, with all its destructive effects, is deeply embedded. While the development of a more trustful society is a process which will take a considerable period of time (perhaps necessitating a generational change), it is also certain that the institutional structure of the state as currently configured, and in this instance reference is to the institutional structure of local government, is likely to retard this process.

Having said as much, the South African government has set in motion a concerted program to address shortcomings at the local level. Known as Project Consolidate, the initiative entails the establishment of project management units in the provincial governments with a mandate to build capacity and provide program support to municipalities which are known to be struggling administratively (RSA, DPLG 2006). The Project currently involves approximately 50% of all municipalities. At the same time, while some municipalities are struggling, it is evident that others are making slow headway in building their capacity to deliver basic services. This is evident in the annual Vuna Awards, which are presented to municipalities which display either innovation in improving service delivery or else have demonstrated significant improvement in their overall administrative per-

formance. Speaking at the 2006 Vuna Awards ceremony, the Minister of Provincial and Local Government stated: "...municipalities are variable in their capacity to wrestle with challenges. Some of our municipalities continue to struggle under the weight of challenges whilst others are indeed distinguishing themselves as standard-bearers of the national effort to put our development trajectory on firm anchorages" (Mufamadi 2006: 2).

The lessons currently being learnt in South Africa might be of relevance to other states on the continent embarking on the road to decentralized government. The first is that while the decentralization of administrative responsibility and resources is a necessary condition in taking democracy to the people, it is no guarantor that local governments themselves will be able to meet the challenge of effective governance, in the short run at least. The second is that in pursuing a course of decentralization, necessary as it is to the deepening of democracy, national governments need to take cognizance of the different capacities of local governments, and to adjust their policies accordingly. That is to say, the uneven nature of development in most countries is such that there is considerable variance in the capacities of municipalities in different parts of a country. In that context, a more asymmetrical devolution of administrative authority is likely to yield more success in the longer run. Linked to this, a progressive, rather than precipitous, transfer of responsibility is likely to place less stress on under-resourced municipalities, and will allow them the opportunity to develop capacity in a more systematic fashion.

The extent to which communities embrace the notion of local governance is likely to be conditioned by the degree to which local authorities have the capacity to fulfill the responsibilities assigned to them. Where they are incapable of delivering necessary services and (in the case of South Africa) of creating the conditions for economic growth, then widespread and generalized distrust is likely to ensue. A lack of trust, in turn, will promote non-compliance with the by-laws of the municipality and a breakdown of communication between the local polity and its constituency. This process runs the risk of developing into a vicious cycle which defeats the very ideals of local democracy and local development.

In many respects the deepening of democracy in South Africa is a work in progress. In that respect, much of the writing on the consolidation and deepening of democracy in this country, and elsewhere in the developing world, has tended to be a-historical in the extent to which it largely overlooks the length of time taken to achieve stable democracies in the Western world. While it might be expected in an increasingly global world, with a concomitant rapid transmission of ideas, that the processes of democratization in developing states would take place at a more rapid pace, projections on the rate of this change generally appear to be based on hope

rather than any objective reading of the social and political economies of transforming societies. This is because the processes of socio-economic development and the deepening of democracy seldom, if ever, fit neatly into the time frames assigned by international donors or even by national governments. As a consequence of this, readings of the progress made (and rendered in so many indexes of democratic advancement⁹) are often misleading. More problematically, such readings influence the attitudes of international lending agencies and investors and also lead to frequent and erratic changes of policy towards and within developing states. In that respect, the transformation of South African society and the deepening of democracy are likely to be multi-generational and the process is likely to be both uneven and discontinuous.

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⁹ Amongst these may be included the Vanhanen's "Index of Democracy," the Freedom House "Level of Freedom and Civil Liberties," and The Bertelsmann "Transformation Index."

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11 The Balance Sheet of Decentralization in Ghana

Joseph R. A. Ayee

11.1 Introduction

Ghana is the first sub-Saharan African country to attain independence from British rule. It did so on 6 March 1957. Because of this legacy of the pioneer spirit, many of its policy initiatives have been tested and evaluated. Numerous scholars recognize Ghana in the twentieth century as “a microcosm of social, political and economic processes in Africa. The Ghanaian proclivity for experimentation has made Ghana into a veritable laboratory for the investigation of different approaches to endemic African problems” (Pellow and Chazan 1986: 209-210). This has turned the country into “everyone’s African favourite” (Dowse 1985: 280).

The West African country of Ghana covers an area of 238,537 square kilometers. It is bounded on the west, north, east and south by Cote d’Ivoire, Burkina Faso, Togo, and the Gulf of Guinea, respectively. The 2000 population census estimated the population at 18 million. For administrative purposes, Ghana is divided into 10 regions. The regions are subdivided into 138 districts.

Since independence, succeeding governments in Ghana have preoccupied themselves with decentralization because they regarded it as a necessary condition for not only the socio-economic development of the country but also as a way of achieving their political objectives such as the *recentralization* of power and legitimacy (Ayee 2004a, 2004b). This is evidenced by over 10 commissions and committees of enquiry established to look at decentralization reforms. In spite of this preoccupation, the progress of decentralization has been slow and most often has resulted in mere recentralization. For instance, the post-colonial government of the Convention People’s Party (CPP) under Kwame Nkrumah (1957-1966) fearing that decentralization would promote divisive tendencies, encouraged cen-

tralization of power in the nation's capital, particularly the Office of the President. The government also resorted to the fragmentation of the decentralized units as a way of weakening them (Ayee 1994, 2003a, 2003b). In addition, charges of corruption and ineptitude, particularly in the CPP era, tainted the effectiveness of those decentralized units. Service was also hampered by the insecurity local government workers felt in relation to their conditions of service, pay equity and general well-being. In the circumstances, a unified civil service was considered desirable to enhance local administration. These negative weaknesses, as well as other shortcomings such as the dual hierarchy structure in which the central and local government institutions operated, lack of political and bureaucratic commitment to decentralization, and inadequate financial and human resources continued during the post-Nkrumah era till the reforms of 1988 (Ayee 2004a, 2004b).

Ghana's decentralization policy from 1988 to date combines elements of political, administrative and fiscal decentralization. The policy specifically seeks to: (a) promote popular participation in the decision-making process; (b) promote responsive governance at the local level; and (c) enhance efficiency and effectiveness of the entire government machinery, through a process of restructuring of the institutions responsible for service delivery to be closer and accountable to the people.

The drive for decentralization is motivated by three factors. First, what generated and served as the impetus for the decentralization program under Rawlings' Provisional National Defence Council (PNDC) was not so much its stated or explicit goals and objectives as the bid to resolve a legitimacy and stability crisis faced by the PNDC (Ayee 1997). This was rooted partly in domestic pressures, upheavals on the African continent, and the World Bank's demand for good governance as a condition for funding (World Bank 1989; Oquaye 1995). This has reinforced the view that decentralization is fundamentally an instrument for resolving or stabilizing the legitimacy crisis inherent in military regimes (Ayee 1997). Secondly, the governments of the National Democratic Congress (NDC) and New Patriotic Party (NPP), which followed the PNDC, did not see decentralization as a way of self-legitimation. Rather, they were motivated not only by the 1992 constitutional provision which stipulates that "Ghana shall have a system of local government administration which shall, as far as practicable, be decentralized" (Ghana 1992: 150) but also the global interest in, and enthusiasm for, decentralization as a result of the "third wave" of democratization which swept across Eastern Europe and sub-Saharan Africa, and the good governance agenda (World Bank 1989; Crook and Manor 1998; Olowu and Wunsch 2004). Thirdly, and more importantly, the NDC and NPP governments saw decentralization not only as a key element of the

process of democratization, particularly in their search for a more participatory approach to development but also as an administrative reform, frequently driven by donor agencies, which have seen decentralization as a means of slimming down effective central administration (Ayee 1997 2004; Devas 1997).

This chapter examines the progress made towards decentralization by highlighting the achievements and challenges. We will first identify the context (political system and the regime type) and proceed to discuss issues related to decentralization. Contextual information is important because the formulation and implementation of a policy are largely shaped by the political and institutional context.

11.2 Political System and Regime Type

Ghana is a unitary republic with a constitution based on the model of the United States of America. The current Constitution, adopted in 1992, stipulates that the state is based on a quasi-executive presidential system of government. However, unlike the American presidential system which maintains a separation of powers, the Ghanaian Constitution stipulates that a majority of ministers of state in Ghana be appointed from Parliament. Another salient feature of the Constitution is the guarantee of an independent judiciary distinct from both the executive and legislative arms of government.

The principle of separation of powers is a central feature of the 1992 Constitution, which is supposed to promote checks and balances. However, the principle is undermined by the fusion of the executive and legislature in that the Constitution stipulates that the majority of ministers must be sitting Members of Parliament. The independence of the judiciary is also restricted because there is no upper limit to the number of Justices of the Supreme Court that can be appointed.

Five key principles are enshrined in Chapter 6 of the Constitution, collectively called, “The Directive Principles of State Policy.” They are the realization of (a) basic human rights and popular participation; (b) a healthy economy; (c) the right to work; (d) the right to good health care; and (e) the right to education. These positive rights, it must be noted, are in theory rather than in practice. However, the government has taken steps to ensure their full and early realization. As subsequently spelled out by the government, the principles involve the following:

- (i) establishment and strengthening of a democratic state, values, processes and social order based on the ideals and principles of freedom,

- equality, regional and gender balance, justice, probity, accountability, transparency and competence;
- (ii) eradication of corrupt practices and the abuse of power;
- (iii) institution-building and reform;
- (iv) establishment of a sound and healthy economy, with a reduction in the role of the state in the economic life of the country through shifting of more responsibility to the private sector and an environment that encourages investor confidence;
- (v) decentralization of administrative and financial machinery of government to the regions and districts; and
- (vi) development of “value for money” public services (Ghana 1992, 1994, 1995).

Table 11.1 Key events in Ghana’s history

1957	Ghana gained independence from Britain.
1960	Ghana gained republican status with a republican constitution (First Republic).
1964	Ghana became a one-party state under Kwame Nkrumah’s Convention People’s Party (CPP).
1966	Nkrumah overthrown in Ghana’s first military coup and the setting up of the National Liberation Council (NLC) government.
1969	K.A. Busia elected as Prime Minister under the 1969 Constitution (Second Republic).
1972	Military coup led by General Acheampong to overthrow Busia’s Progress Party (PP) government and setting of National Redemption Council (NRC) government.
1975	Replacement of NRC by the Supreme Military Council (SMC) as executive arm of government.
1978	General Acheampong removed as Head of State in a palace coup led by General Fred Akuffo.
1979	First military intervention by Flt. Lt. J.J. Rawlings and the setting up of the Armed Forces Revolutionary Council (AFRC).
1979	Hilla Limann elected as president under the 1979 Constitution (Third Republic).
1981	Second military intervention by Rawlings with the overthrow of Limann’s People’s National Party (PNP) government and the formation of Provisional National Defence Council (PNDC).
1983	Introduction of Economic Recovery Programme by the PNDC.
1991	Setting up of committee experts to draft a Constitution.
1991	Setting up of consultative assembly to deliberate on draft Constitution.
1992	Referendum on 1992 Fourth Republican Constitution and lifting of ban on political activities.
1992	Rawlings elected as President under the Fourth Republic Constitution as candidate of the National Democratic Congress (NDC).
1992	Opposition parties boycotted the parliamentary elections for alleged rigging of the presidential elections.
1993	Rawlings sworn in as first president of the Fourth Republic.
1996	Rawlings and NDC elected for second constitutional term.
2000	NDC voted out of office; J.A. Kufuor and New Patriotic Party (NPP) form government.
2004	Kufuor and NPP elected for second constitutional term.
2008	Parliamentary and Presidential Elections due.

Ghana has had significant experiences with democratic political life (see Table 11.1). It had vacillated between civilian and military rule. However, since the return to multi-party rule, there has been political stability as demonstrated by four successive national-level elections which were held in 1992, 1996, 2000 and 2004. The first two elections were won by Jerry Rawlings' National Democratic Congress (NDC) while the last two were won by the New Patriotic Party (NPP) of incumbent president John Kufuor. The next elections are scheduled for December 2008.

11.3 Sub-national Assemblies and Elections

Since local government reform in 1988, Ghana has had five local government elections, in 1988/89, 1994, 1998, 2002 and 2006. Election to sub-national units, that is, the District Assemblies and Unit Committees is non-partisan, which is a constitutional requirement. According to the 1992 Constitution:

A candidate seeking election to a District Assembly or any lower local government unit shall present himself to the electorate as an individual, and shall not use any symbol associated with any political party. A political party shall not endorse, sponsor, offer a platform to or in any way campaign for or against a candidate seeking election to a District Assembly or any lower local government unit (Ghana 1992: 153).

This is a legacy from Rawlings' populist military-cum Provisional National Defence Council (PNDC) government, which operated under no constitution and banned political party activities.

Two reasons have been given for the exclusion of partisan politics. First, it was argued that in the past, elected governments in Ghana cynically exerted influence on local government bodies to win political advantage. Second, the non-partisanship will "facilitate the mobilization of the people, and is more conducive to consensus formation, factors that are crucial to development at the grassroots" (Ghana 1991: 148). In addition, the chairman of the Electoral Commission explained in 2002 that political parties did not have the ability to mobilize adequate resources to organize district level elections, should the system be politicized. To him, most of the political parties had very weak financial positions and could not therefore fund the elections of their members.¹

¹ The reason is that if a political party decides to finance each candidate with at least Ghanaian cedi one million (about US dollar 110), which is still inadequate,

In actual practice, however, the District Assemblies (DAs) are not free from partisan politics. This point was echoed by the current President, J.A. Kufuor, in an address read on his behalf at the inauguration of the various metropolitan, municipal and district assemblies on 16 September 2002. According to him, it became clear in the 2002 DA and Unit Committee elections of 2002 that the concept of non-partisan elections at the local level is

a charade. From comments made by various people, it seems that non-partisan elections constitute a huge exercise in self-deception ... since it appears the political parties sponsored candidates unofficially and I believe it is time we made it official (Daily Graphic 17 September 2002: 1).

Similarly, the then Attorney-General under the New Patriotic Party (NPP) government, Nana Akuffo Addo, addressing the mid year conference of district chief executives (DCEs) from the Southern Sector at Ho in the Volta Region at the end of June 2002 urged them to

Ensure that majority of elected assembly and unit committee members belong to the ideology and vision of positive change ... district and unit committee level elections have always been partisan; consequently, DCEs must attach serious importance to it since it would be used to measure how the New Patriotic Party would fare in the 2002 general elections (Ghanaian Times 1 July 2002: 10).

The non-partisanship is, therefore, incongruous with the multi-party politics. This incongruity has been recognized by the manifesto of the ruling New Patriotic Party government of 2000. In the manifesto, the NPP indicated that it is

... committed to amend Article 248 of the 1992 Constitution to make local government elections partisan. A partisan local government system is more congruous with the existing constitutional requirement of a partisan central government. ... A partisan local government with elections held at or near the middle of the term of office of the country's President has the effect of sending a signal to the ruling party regarding the people's assessment of its performance; and can thereby jolt the ruling party to improve its performance (NPP 2000: 39).

Curiously, however, the government, since assumption of office in 2001, has developed cold feet to implement its manifesto. The reason is not difficult to fathom. The NPP government has realized, albeit belatedly, that decentralization has political and economic trade-offs that has the potential of undermining the legitimacy of the government and its chances of

it will cost that party Ghanaian cedi 5 billion to fund candidates in all the electoral areas (Daily Graphic 11 November 2002).

winning future elections. Consequently, issues of decentralization have not been a priority on the agenda of the government.

Another challenge that faces local government elections is the large number of electoral areas (4,584 in all) and unit committees (country total of almost 16,000), which makes most of the districts too unwieldy. This is a daunting task for the Electoral Commission (EC) as it lacks resources and logistics to be able to carry out the district level elections on such a massive scale in one day. This lack of resources led the EC to postpone the 2002 elections in a few electoral areas for a day or two. This last minute postponement of the elections without adequate information to the public seems to have been one of the contributory factors to the low voter turnout.

In spite of the mounting of common platforms by the Electoral Commission for the candidates, some of the candidates in 2002 personally spent between two to Ghanaian cedi six million (approximately US dollar 650) on house-to-house campaigning. Those candidates who did not have money to campaign felt cheated. They attributed their loss in the elections to the inability to garner resources to campaign. There is some evidence that the majority of those who won the elections did not depend solely on the platforms mounted by the EC. This has prompted some people to assert that the common platform was a public relations hoax. This is further buttressed by the fact that the political parties sponsored some of the candidates, which is in direct contravention to the decentralization provisions of the 1992 Constitution and the Local Government Act, (Act 462), 1993.

Generally speaking, however, district-level elections have recorded a lower voter turnout in contrast to presidential and parliamentary elections, which had a reasonably high voter turnout (see Tables 11.2, 11.3 and 11.4). The turnout at the 1979 general elections and the 1992 parliamentary election recorded only 35.25% and 29.0%, respectively (see Tables 11.2, 11.3 and 11.4). A plausible reason for the low turnout in district-level elections is that most people regard them as mundane and unimportant, especially when the image of local governments in terms of performance and appeal is significantly tarnished. In addition, presidential and parliamentary elections are fought on a partisan basis and therefore political parties encourage their supporters to vote (unlike the elections of the District Assemblies and Unit Committee elections, which are non-partisan). Consequently, we should not compare voter turnout at presidential and parliamentary elections with that of district ones because of the different contexts and issues. Furthermore, we should not underrate the turnout figures at both general and local level elections in Ghana because the turnout rates in the developed democratic countries are also low.

Table 11.2 Turnout of voters in national and local government elections in Ghana since 1988/89 (%)

	1992	1996	2000	2004
National Elections	50.2	78.2	61.7	81.5
	1988/89	1994	1998	2002
Local Elections	59.3	29.3	41.6	32.8

Source: Electoral Commission, Accra, Ghana.

Table 11.3 Comparative percentage of voter turnout in local government elections, 1978-2002

Region	1978 District Council Elections	1988/89 District Assembly Elections	1994 District Assembly Elections	1998 District Assembly Elections	2002 District Assembly Elections
Northern	18.2	60.6	28.1	53.6	46.3
Upper East (Upper Reg*)	16.1	62.0	34.6	56.6	47.6
Upper West	-	67.4	26.2	46.1	42.8
Volta	15.3	59.4	29.8	45.6	36.3
Brong Ahafo	18.7	60.2	34.4	46.3	36.1
Greater Accra	10.2	44.3	16.7	21.9	16.5
Ashanti	24.9	44.3	31.9	40.3	35.1
Eastern	16.6	60.8	30.5	45.2	35.0
Central	22.2	59.3	28.2	42.7	35.1
Western	20.6	55.3	32.2	43.7	34.9
NATIONAL AVERAGE	18.4	59.3	29.3	46.1	33.1

* In January 1983, the Provisional National Defence Council (PNDC) split the Upper Region into two regions: Upper East and Upper West for administrative purposes.

Source: Electoral Commission, Accra, December 2002.

Table 11.4 Comparative analysis of elections turn-out in Ghana, 1969-2000 (%)

Regions	1969 Parliament	1979 President & Parliament	1992 President	1992 Parliament	1996 President & Parliament	2000 President	2000 President (run-off)
Western	60.15	34.04	47.8	29.8	74.5	58.8	55.2
Central	59.64	33.34	47.7	28.2	74.3	63.9	58.4
Greater Accra	70.41	35.59	46.0	18.0	78.4	59.5	57.4
Volta	69.62	33.65	62.4	51.2	81.8	60.3	68.9
Eastern	63.62	35.95	51.0	26.9	81.1	63.9	60.9
Ashanti	69.0	41.99	50.5	19.9	79.8	65.1	65.4
Brong Ahafo	68.11	33.16	46.6	32.4	71.8	58.4	57.1
Northern	52.99	32.09	50.7	33.1	73.7	64.2	59.6
Upper East*	56.08	32.8	51.5	40.5	79.8	60.3	57.8
Upper West*	67.4	-	51.0	34.5	75.8	59.9	57.4
TOTAL	63.37	35.25	50.2	29.0	78.2	61.7	60.4

* The Upper East and Upper West regions used to be called Upper Region until 1983 when they were split into two.

Source: Electoral Commission, Accra, December 2002.

11.4 Framework of Local Government

The legal framework of decentralization in Ghana is extensive. It ranges from the Constitution, acts of Parliament, legislative instruments (LIs), by-laws and standing orders, covering areas such as the objectives of decentralization, finance, personnel, planning, budgeting, tendering, accountability, and central-local relations between the District Assemblies (DAs) and other public services. The extensive legal framework has given decentralization the necessary fillip, which, it is hoped, will move the process forward. Various provisions in the 1992 Constitution provide ample testimony of this broad-based conceptual and legal basis for decentralization in Ghana.²

Objectives: The objectives of decentralization are most clearly captured in Chapter 6, “Directive of State Policy,” of the 1992 Constitution which enjoins the government to make “democracy a reality by decentralizing the administrative and financial machinery of government to the regions and districts and by affording all possible opportunities to the people to participate in decision-making at every level in national life and in government” (Ghana 1992). Similarly, the Legislative Instruments which established each of the District Assemblies and supplement the Local Government Act (Act 462), include a list of 86 specific responsibilities³ ranging from provision of basic services in education, health, water supply, sanitation, to public safety and revenue collection.

² Some of the pieces of legislation which have not been listed in the text include PNDC Law 207, 1988; Legislative Instrument (LI) 1514, 1991, which has been repealed by LI 1589, 1994; District Assemblies Common Fund Act (Act 455), 1993; and the legislative instruments of 1988/89 that created the 138 District Assemblies (DAs); Financial Memorandum (Section 81) of the Local Government Act, (Act 54), 1961; Financial Administration Decree (FAD), SMCD 221, 1979), which has been repealed by Financial Administration Act, Act 654, 2003; the National Development Planning (System) Act, Act 479, 1994, the Financial Administration Regulation (FAR), LI 1234, 1979; bylaws of the 110 District Assemblies; Model Standing Orders for Municipal and District Assemblies, 1994; Civil Service Law of 1993, (PNDC Law 327); Local Government (District Tender Boards) Establishment Regulations (Legislative Instrument 1606 of 1995); Local Government Service Act (Act 656 of 2003); Public Procurement Act of 2003 (Act 663); Audit Agency Act of 2003 (Act 658); and Legislative Instruments of the Ministry of Local Government and Rural Development.

³ These responsibilities can be classified into three categories, namely, deconcentrated, delegated and devolved functions. For details see: Ayee and Amponsah (2003); Ayee (1999).

Central-local relations between DAs with other public services: The Civil Service Law, 1993, defined the relationship between the center and the local levels of government. It identified the duties of central government as policy planning, monitoring, co-ordination and evaluation. It assigned the responsibility for local level development implementation to the district assemblies. PNDC Law 327 was also important because of its provisions for the assignment of staff, especially setting out the technical and administrative support for the decentralization process and the local government secretariat; and the district and regional departments and offices of the District Assembly (DA). The National Development Planning Commission Act of 1994 provided institutional support for the implementation and operation of the national development planning system (Ayee 2003b).

The DAs themselves are legislating bodies. They were established by legislative instruments and pass bye-laws to regulate activities in the district or to undertake the functions of the assembly (See Section 79 of the Local Government Act, Act 462).

However, other legislation had contradictory implications for the assemblies. The two most obvious examples are Act 506 (the Ghana Education Service Act of 1995) and Act 525 (the Ghana Health Service and Teaching Hospitals Act of 1996). These two acts outlined arrangements for service delivery at the local level which did not necessarily coincide with, or take account of, the arrangements of the DA system.

The establishment of the Ghana Health Service was aimed at improving the quality of health service and providing a structure for the implementation of approved national health policies. Act 525 sought to decentralize the delivery of health care services by creating both regional and district health committees to assist in the management of health care needs of the citizenry at various levels. The act provided for a District Director of Health Services who would be answerable to the Director-General of the Ghana Health Service for policy measures and the district chief executive (DCE) for administrative purposes. The staff at the district level would also remain staff of the Ghana Health Service. However, Act 462 had made provision in Section 14 for health officers of assemblies. It indicated that any person who discharged the duties of a medical officer or sanitary inspector for any area would be an officer of the assembly of that area for the purpose of giving effect to the enforcing bye-laws relating to public health made by the Assembly (Ayee 2003c).

The Education Service Act did not have this anomaly but also required the District Director of Education to report to the Director-General of the Ghana Education Service through a regional superior. While assemblies are responsible for the provision of health and education infrastructure, they had little access to information about financial, human and other re-

sources of these services. Tensions have arisen in the past when assemblies have tried to inspect or get more involved in the use of this infrastructure (such as in Cape Coast in 2002). In addition, the two laws (Acts 506 and 525) made provision for popular participation in development at the local level through the creation of the District Education Oversight and District Health Committees. (These are discussed further below in the section on consultative structures.)

Sources of funding: On sources of funding, Act 455 or the District Assemblies Common Fund Act of 1993 provided for the establishment of the fund, the appointment of a fund administrator, the functions of the office and other related issues. Act 462 or the Local Government Act of 1993 revised PNDC Law 207 and set out modalities for creating assemblies; their composition, meetings and functions, and identified development planning and budgeting responsibilities for them. The law also outlined their powers to charge fees, tender, engage in joint ventures, legislate, rate, license, provide services and acquire property. Amongst others, it made provision for financial management and internal auditing as well as the privileges and immunities of members. Act 462 also provided for the establishment, composition, functions and meetings of Regional Coordinating Councils.

Personnel: The Constitution did not explicitly mention the establishment of a Local Government Service by name as it did the “Civil, Judicial, Education, Health and Statistical Services” in the section on “The Public Services of Ghana” (Chapter 14, Article 190). However, it can be accommodated under (d) of Article 190 indicating “such other public services as Parliament may by law prescribe.” In Section (2) of the same article, the Constitution indicated that “the civil service shall, until provision is otherwise made by Parliament, comprise service in both central and local government.”

Article 240 stated that the Parliament shall enact appropriate laws to ensure that functions, powers, responsibilities and resources are at all times transferred from central government to local government units in a co-ordinated manner (presumably including human beings) and shall take such measures as are necessary to enhance the capacity of local government authorities to plan, initiate, co-ordinate, manage and execute policy in respect of all matters affecting the people within their areas with a view to ultimately localizing those activities. Finally, it also stated in that as far as practicable, persons in the service of local government shall be subject to the effective control of local authorities (Ayea 2004a).

Implementing the unified service has presented various challenges. These include the persisting allegiance of civil servants to the center and to parent ministries, and lack of control of district assemblies over the tenure

of office of officials working in their localities. Assemblies often found themselves without key officers such as coordinating directors, administrative staff and finance officers as these were moved around by the Office of the Head of the Civil Service (OHCS) and the Regional Coordinating Council (RCC) or the supervising central government agency. Given these concerns, the re-creation of the Local Government Service through the promulgation of the Local Government Service Act (Act 656 of 2003) was to capacitate the assemblies for the level of independent development required of them. Even though the constitution, PNDC Law 327 and Act 462, amongst others, anticipated a Local Government Service, its legislation was enacted a decade later. The process had been made challenging by how to accommodate various sectors, and address resistance and uncertainties of stakeholders (Ayee 2004a).

Planning: Act 480 or the National Development Planning (System) Act of 1994 defined and made provision for the regulation of planning procedures and related matters. The law identified the decentralized national development planning system as comprising district planning authorities at the district level, regional coordinating councils at the regional level, and sector agencies, ministries, and the National Development Planning Commission at the national level. The law had other important features including a requirement of public hearings of district, sub-district and local action development plans; the preparation of district, local action and sub-district plans; and the definition of planning areas – joint planning areas as well as special development areas.

In practice, however, there are problems with the planning functions of the decentralized units. Most of them do not have planning officers and therefore have to rely on consultants to develop their plans. This has tended to reinforce the lack of interest in the plans by the public because of lack of ownership. In addition, the requirement for public hearings is not adhered to, and furthermore when a hearing is held there is little debate on the issues as the public mostly is unable to understand the issues. The envisaged joint planning for special developments among two or more districts by pooling resources together has also not happened because the districts have not explored the opportunities available to them. There is the tendency on the part of districts to look “inward” rather than “outward” for development.

Mechanisms of accountability and transparency: The responsiveness of the DAs to the needs of their people is one task which will promote the political objective of decentralization. Responsiveness involves the ability of the DAs to meet diverse needs of the people so that they become sustainable. Consequently, district plans and sub-district or local action plans

must be subject to public hearings before adoption. It has not been possible to do this for a number of reasons. First, the DAs are in a rush to submit the plans so that there is no time to subject them to a hearing. Second, in districts which held the public hearings, the officials found that suggestions on the plan are not far-reaching enough and therefore are discouraged to send them the next time round. Third, general apathy on the part of citizens and the feeling that the DAs have not satisfied their expectations have precluded most of them from attending the public hearings which they perceive as time-wasting.

Responsiveness is also elicited by the methods of accountability of the officials. Two officials are important in this regard. They are the DCE and the DA elected member. The DCE is nominated by the central government and elected by two-thirds majority of members present and voting. He or she is therefore not accountable to the people as such but to the central government. Even though the DCE can be removed by the DA members, his or her removal is usually difficult because in order to achieve a removal, a vote of no confidence needs to be supported by not less than two-thirds of all members of the DA.

The current NPP government in its manifesto indicated that when it comes to power, it will make the position of DCE elective. The government, however, seems to have abandoned the idea. When reminded of the government's promised implementation of the election of the DCE, the then Presidential Spokesman, Kwabena Adjepong, said that the issue is not a priority – another example of the government realizing the trade-offs in implementing decentralization. In spite of the government's inaction on the issue, the African Peer Review Mechanism (APRM) report of 2005 found that "several stakeholders have expressed their preference for elected district chief executives and District Assemblies" (APRM 2005: 25).

The DA member, on the other hand, is to discharge his/her responsibilities in due regard to the national interest and the interest of the people in the respective district. However, the requirement that DA members should meet their constituents before and after every DA meeting has, in most cases, not been met for obvious logistics problems such as the meager sitting allowances. This notwithstanding, the holding of local government elections with its attendant questioning of candidates during the campaigns have given the DAs a semblance of accountability.

In addition to all this, the passage in 2003 of the Internal Audit Act, Act 658, and the Procurement Act, Act 663 has been seen as a means of promoting financial accountability within the DAs. It is too early to judge the effect of the acts on the accountability of DAs.

Tendering: The Local Government (District Tender Boards) Establishment Regulations (Legislative Instrument 1606 of 1995) provided for the establishment of district tender boards to advise district assemblies on the award of contracts in the districts for projects financed from the resources of the district as well as from other sources but within limits determined by the Minister of Finance. The law determined the composition of the tender boards and required the declaration of their assets. It outlined provisions for their meetings, the establishment of a Technical Evaluation Team of the Board and the advertisement, opening and evaluation of tenders. However, this legislation has been revoked by the Public Procurement Act of 2003.

The tendering process has been questioned because of the lack of DA members to adhere to conflict of interest ethics. Contracts were awarded to companies belonging to DA officials, thus creating conflicts of interest. In other cases, contracts were given to favorites and friends of the party in power without following approved tendering procedure. Consequently, the tendering process has created avenues for corruption.

Sub-district structures: Legislative Instrument 1589 of 1994, the Local Government Establishment Instrument (Urban, Zonal, Town Councils and Unit Committees) revised an earlier instrument (LI 1514) that corresponded to PNDC Law 207. It established the sub-structures and reviewed the functions of unit committees to include “the supervision of staff of the District Assembly assigned duties in their areas of authority.” The instrument outlined the functions of these parties including the education of the people on their rights, privileges and obligations. Provisions for the sub-structures of the Metropolitan Assemblies (the sub-metro district councils) were made in the established legislation of the assemblies. Sub-metro councils were charged with the administration of self-help projects, record keeping on ratable properties, and collection of rates, levies and taxes. Other functions included street-naming, promoting public health, and responsibility for day-to-day administration (Ayee 2003a).

11.5 The Local Government Structure

There are, in general, three features of Ghana’s decentralization system. They relate to (a) the different levels of government to which decentralized functions are given; (b) the nature of the authority given; and (c) the powers and duties which are decentralized. Specifically, they are as follows:

- Constitutional guarantee of decentralization by the 1992 Constitution, Chapter 20;
- The DAs themselves are legislating bodies. They were established by legislative instruments and pass bye-laws to regulate activities in the district or to undertake the functions of the assembly (See Section 79 of 462);
- A three-level structure made up of Regional Coordinating Councils (RCCs) which monitor, coordinate and evaluate the performance of the District Assemblies (DAs), and the Metropolitan, Municipal and District Assemblies (MMDAs) which have as their objective the overall development of the districts, and sub-district structures, namely, Urban, Zonal and Town Councils and Unit Committees (see Fig. 11.1);
- 70% of members of the MMDAs elected by universal adult suffrage and 30% nominated by the president in consultation with traditional authorities and interest groups in the districts. Thus the DAs represent a hybrid form of decentralized authority, combining elected and appointed officials;
- Placement of 16, 13 and 11 line ministries and departments under the metropolitan, municipal and district assemblies, respectively;
- The appointment of the district chief executive (DCE), the political head of the district by the president subject to approval by two-thirds of the members of the MMDAs present and voting;
- A non-partisan decentralized system under which candidates are not sponsored by political parties to ensure consensus-building and promote development;
- The Executive Committee made up of one-third of the members of the MMDAs and chaired by the Chief Executive;
- Identification of 10 revenue sources and the expansion of their financial base through the establishment of the District Assemblies Common Fund (DACF) into which not less than 5% of total government revenues are paid, and shared according to a revenue sharing formula approved by Parliament;
- Introduction of composite budgeting which will enable all the so-called decentralized departments to send their budgets through the DA for onward transmission to the Ministry of Finance;
- A bottom-up planning system envisaged under the National Development Planning Systems Act, Act 480; and
- Establishment of Local Government Service into which all staff of the so-called decentralized departments become members for their career progression.

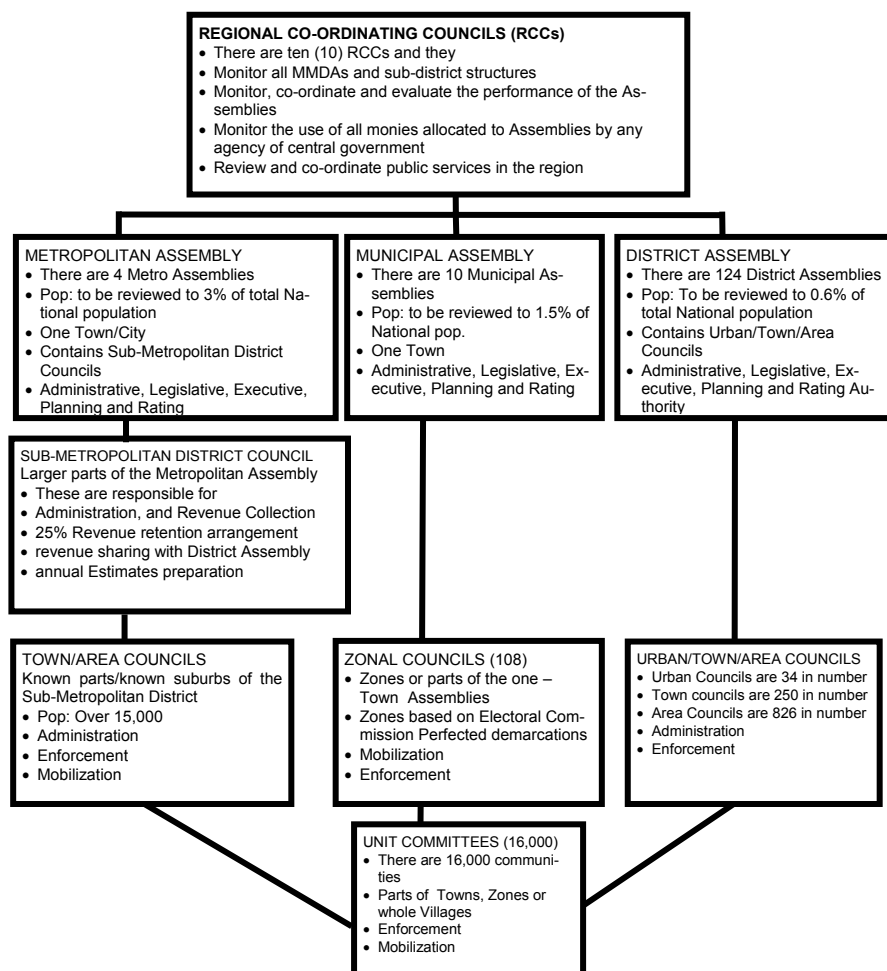


Fig. 11.1 The local government structure

11.6 Personnel Management

Decentralization of human resource management (HRM) is to enable the DAs to make staff locally accountable, allocate staff where need is greatest, manage its financial resources, attract and retain skilled staff, and build their own organizational capacity. Ghana currently has 285,000 civil servants out of which 25% work at the local level. Of the 25% personnel at the local level, 60% lack the requisite expertise to perform their functions.

This has become a thorny issue in the decentralization program. Consequently, capacity building institutions such as the Institute of Local Government Studies (ILGS) and the Management Development Productivity Institute (MDPI) have been established to train personnel for the decentralized bodies. Programs being run by these institutions include financial management, personnel administration, budgeting and accounting, strategic planning, etc.

Even though the institutions have trained personnel, there is still a dearth of expertise at the local level. The Ghana Poverty Reduction Strategy (Ghana 2003a: 8) recognizes that the “weak capacity of local government institutions pose a great challenge to the effective implementation of the GPRS.” Some of the factors contributing to this are the ad-hoc and piecemeal nature of the training, the lack of financial resources to motivate staff in the training institute themselves, and the loss of institutional memory on the part of the decentralized units as a result of local government elections.

Other challenges facing local government HRM issues are as follows:

- Lack of an integrated system for local HRM as a result of different lines of authority for different categories; core Metropolitan, Municipal and District Assemblies’ (MMDAs) staff reporting to the District Coordinating Director, who is appointed by the Head of the Civil Service;
- Centralization of recruitment, promotion and discipline of staff in the MMDAs. Consequently, staff have very limited accountability towards MMDAs;
- Staff are transferred by the central government, limiting local efforts for capacity building;
- Difficulty in attracting and retaining staff in some districts;
- MMDAs are largely without control over the size and structure of their establishment since there is no incentive for rationalization;
- Weak procedures for staff discipline; and
- Fragmentation of current capacity building which is project-based, uncoordinated, and not locally led, with no clear performance targets or incentives (Joint GOG and DP Workshop 2007).

11.7 Financial Autonomy

Finance is regarded as the “lifeblood” of decentralization. However, it has remained the main Achilles heel of decentralization in Ghana. There is no fiscal decentralization policy; however, the 1992 Constitution supports fis-

cal decentralization through the creation of the District Assemblies Common Fund (DACF) into which not less than 5% of total government revenues are paid, which is centrally distributed through a revenue sharing formula approved by Parliament. There is the stipulation that a local government unit should have a sound financial base with adequate and reliable revenue.

The DACF is the major funding for decentralization. It is generally effective but needs to improve on its allocation formula, predictability, timeliness, and transfer flows since some funds are deducted at the center without prior information being sent to the DAs.

The DAs have been highly dependent on grants/donor support which account for 82% of their revenues while only 18% comes from internally generated funds (IGF) (see Table 11.5). A major challenge has been the non-implementation of a composite budgeting concept, initiated in 1987 that was intended to harmonize the budget of the line ministries, department and agencies at the local level with that of the DA into one budget for onward transmission to the Ministry of Finance and Economic Planning. Composite budgeting is currently being piloted in 25 districts.

The National Decentralization Action Plan (NDAP) (2003: 6) has recognized the “inadequate budgetary allocations” and the “weak economic base of some of the DAs which have constrained their ability to mobilize adequate resources for the provision of services.” District chief executives (DCEs) at their annual meetings have consistently complained about inadequate funding and human resources at their disposal to perform their obligations.

In addition, the district composite budgeting system is yet to become operational. The so-called decentralized ministries/departments/agencies (MDAs) continue to budget and account for their expenditures on a sectoral basis. Other financial difficulties include:

- Increased recurrent expenditures vis-à-vis capital expenditure partly as a result of visits to the districts by government officials and their entourages whose entertainment, security and fuel expenses are borne by the DAs thus putting further pressure on an already shoe-string budget;
- Fragmentation of the grant system by multiple funding channels including sector funding and donor fund on-budget and off-budget; and
- Multiple transfer modalities, each with their own planning, budgeting, accounting, auditing and reporting systems adding to transaction costs and increasing the fiduciary risks (GTZ 2006).

Table 11.5 Composition of Metropolitan, Municipal and District Assemblies' funding sources (2006)

Sources	Percentage (%)
Internally Generated Funds (IGF)	18
Rates	4
Lands (eg. royalties)	2
Fees and fines	6
Licenses	3
Rent	1
Investment income	1
Miscellaneous	1
Total grants given by the central government	82
Salaries/ Highly Indebted Poor Country (HIPC)/ Donor Support/Other Transfers	45
DACF	37
Total revenues	100

Source: Decentralization Secretariat, Ministry of Local Government, Rural Development and Environment, 2006.

The setting up of the proposed District Development Fund (DDF) is not only to “harmonize and consolidate resource streams presently used for funding of district level but also mobilize additional resources for the implementation of the district plans” (Ghana, MLGRD 2003: 8). In addition, there is the need to improve accountability and monitoring of various funds, as well as develop a fiscal decentralization strategic framework, which addresses weaknesses in a systematic manner.

11.8 Civil Society and Participation at Sub-national Levels

Whether at the national or local level, civil society organizations (CSOs) play a critical role in promoting accountability. They offer a space for citizens to engage with one another and to organize and amplify their demands on the government. Ghana has relatively strong and dynamic CSOs and vibrant associational life (Whitfield 2003). In 2004, there were over 2,200 CSOs registered with the Ministry of Manpower. This, however, belies the myriad groups and forms of CSOs throughout the country. Their vibrancy can be attributed to strong cultural traditions of association, social cohesion and self-help as well as the enabling environment created by democracy and political freedom (Snook et al. 1998; Ayee 2000, 2002). CSOs have moved beyond service delivery roles to pressing for more engagement in policy making, implementation and monitoring and have be-

gun to play an important role in promoting good governance and integrity in public administration. In spite of their modest success, CSOs have been weakened by excessive political partisanship, political stigmatization, limited coordination and capacity, and lack of funding to implement activities in the areas of research, monitoring and evaluation, communication, information dissemination and advocacy (Ayee 2002; Whitfield 2003).

In spite of the general problems facing CSOs across the country, efforts have been made by local CSOs to engage assemblies and exact accountability for the use of public resources, and require services from them. Some important examples include the civic unions established in 20 districts that participated in the "Government Accountability Improves Trust" (GAIT) program funded by the United States Agency for International Development (USAID) and implemented by the Cooperatives League of the United States of America (CLUSA). The civic unions are associations of CSOs which include professional bodies, economic groups and membership organizations in the various districts. These have consulted assemblies, asked for information on development initiatives, undertaken civic education, as well as organized public forums on matters of public interest in the districts (Ayee 2006).

The HIPC⁴ Watch Committees are another interesting example of civil-society engagement of assemblies to promote accountability. The HIPC Watch Project has been implemented by the Social Enterprise Development (SEND) Foundation in collaboration with partner districts in the "Eastern Corridor" of the country, the Upper East Region, the eastern part of the Northern Region and the northern parts of the Volta Region. The committees made up of CSO representatives and key individuals have been engaged in participatory monitoring and evaluation efforts of HIPC programs at the district level. The activities, findings and recommendations of the committees have been disseminated through the HIPC Watch Update (Ayee 2006).

In addition, the media, particularly local radio stations, have helped to build local accountability. FM radio stations have provided avenues for local people to question their DA officials and debate them over issues. This is akin to the situation in Uganda, where local radio stations hold phone-in programs in which mayors and chairpersons are invited to respond to people's questions and complaints (Devas and Grant 2003). These arrangements have provided useful lessons for good practices.

The modest progress made in civic participation in local governance has not, however, reduced corruption. According to the African Peer Review Mechanism report

⁴ HIPC: Highly Indebted Poor Country Initiative.

Participants at the various stakeholders' consultations complained about the high degree of corruption in Ghana's public sphere, at both the national and regional levels. In Ho and Cape Coast, stakeholders generally felt that corruption is rampant in decentralized organs of government such as the Metropolitan, Municipal and District Assemblies. Participants at Wa generally feel that unless one has contacts in Accra, one will not be attended to. ... Consequently, one of the critical issues that emerged from the Ghana National Programme of Action ... is to ... hasten the decentralization process to create opportunities for citizen participation in local governance and to promote sustainable local development (APRM 2005: 172).

A key concern, therefore, is the quality and low levels of civic participation and CSO involvement. Though opportunities are available for participation, the culture of opacity with the decentralized units and the lack of knowledge of the participation mechanisms is hampering social accountability and development. This can be overcome if the decentralized units provide key information on their operations such as meeting schedules, annual plans and budgets, annual expenditures at vantage points that are easy for the public to read and engage. There is also the need to deepen and widen participation of CSOs in the planning, evaluation, monitoring, and implementation processes.

11.9 Challenges to Decentralization

In spite of modest progress, there are some daunting challenges to the decentralization policy. According to the Reference Document of the Ministry of Public Sector Reform (MPSR) of January 2006, progress in the areas of administrative and fiscal decentralization has not been encouraging in spite of the implementation of the National Decentralization Action Programme (NDAP) in 2003.

Some of the specific development challenges which have been noted in spite of the launching of the NDAP are:

- i. Composite budgeting which was initiated in 1988 has not materialized. It is currently being piloted in 25 districts;
- ii. An effective and operational fiscal decentralization framework with the complementary capacity to handle more complex planning and financial flows at the district level is lacking;
- iii. There is extreme reliance on the District Assemblies Common Fund (DA CF), which is normally paid late and with no degree of certainty;

- iv. The legal and regulatory framework is blurred, as are the roles and responsibilities of sector ministries, District Assemblies and Regional Coordinating Councils at the district level;
- v. Lack of adequate resources and weak capacity, low revenue generating capacity of most DAs, poor service delivery, weak financial management and weak human resource management;
- vi. Non-election of district chief executives;
- vii. Ban on political activity in the DAs, including political party campaigns on the basis of party affiliations;
- viii. Absence of a shared conceptual and political understanding across government and civil society regarding the overall pace and direction of decentralization;
- ix. A general inconsistency between the legal framework for decentralization and the local government reform initiative; and
- x. The multiplicity of actors implementing decentralization (MLGRD, Decentralization Secretariat, Local Government Service Council, Presidential Advisory Committee on Decentralization, Ministry of Public Sector Reform) which gives one the impression that there is no institution solely responsible for the decentralization program (APRM 2005; Ghana 2005, 2006).

To address some of these problems, the Growth and Poverty Reduction Strategy (GPRS) II, 2006-2009 has designed some strategies in its policy matrix. They include the following:

- (i) Implement and upscale the NDAP;
- (ii) Effectively operationalize district planning guidelines;
- (iii) Operationalize Local Government Service;
- (iv) Prepare schemes and conditions of Local Government Service;
- (v) Incorporate information communication technology (ICT) in accounting procedures;
- (vi) Mainstream decentralization in public sector reforms;
- (vii) Review constitutional provisions and statutes with direct and indirect impact;
- (viii) Restructure resource allocation formula;
- (ix) Replicate best practices in database initiatives;
- (x) Develop the capacity of the DAs towards effective revenue mobilization; and
- (xi) Strengthen collection and dissemination of records and progressively mechanize records

In addition to the GPRS II strategies, the Ministry of Public Sector Reform has also designed a decentralization project in its Reference Docu-

ment of 2006. The objective of the project is to establish an effective and pragmatic national approach to decentralization.

It must be pointed out that some of the strategies, outputs and activities such as operationalization of district planning guidelines, database initiatives, effective revenue mobilization, and improvement in records management are consistent with the LG-PRSP's main objectives of improving the capacity of the DAs to offer qualitative service to reduce poverty in Ghana.

11.10 Conclusion

There is no doubt that Ghana has made some progress in implementing decentralization. This notwithstanding, the general perception is that progress has been slow and there is more room for improvement. According to the APRM Report:

Stakeholders generally agree that decentralization is not working as it should. At various meetings countrywide, they have made it clear to the Country Review Mission (CRM) that real power (be it administrative, financial or political) should be delegated and extended from the centre to the decentralized structures at the regional, metropolitan, municipal and district levels. This would make for more accountable, participatory and transparent political governance, financial management and socio-economic development at those critical, grassroots levels (APRM 2005: 25).

In spite of 17 years of implementing an ambitious and comprehensive decentralization policy, Ghana still has a highly centralized and top-heavy public administration system. This has been acknowledged by the National Decentralization Action Plan of 2003. According to the Plan, in spite of the constitutional provision that Ghana must be a decentralized administrative and financial machinery of government to the regions and districts. The reality has been a growing concentration of power and resources in key ministries, departments and agencies (MDAs) that plan, implement, monitor and evaluate essential services to communities (Decentralization Secretariat 2003: 4).

More can be achieved if there is more commitment from the government. This has been lacking since independence. Decentralization has both political and technical tradeoffs. There are "winners" and "losers." Accordingly, governments think that they would lose power and patronage if they implement real decentralization. For now, it seems the government of the New Patriotic Party (NPP) under President Kufuor has no such commitment. It has not implemented its largely friendly decentralization mani-

festos since it came to power in 2001. In fact, decentralization, even though it may be seen on the agenda of the government through the initiation of the review and harmonization of the pieces of legislation, is not really on the government's agenda. The review and harmonization of the legislation may be regarded as a public relations hoax and time-buying device.

In addition, the multiplicity of actors has made it impossible to have a more coordinated approach to decentralization. Several layers of organization such as the Ministry of Local Government, Rural Development and Environment (MLGRDE), Ministry of Public Sector Reform (MPSR), Ministry of Finance and Economic Planning, and donors are involved. Given the number of actors with differing perspectives and interests, there is a sense of fatalism as the chances of implementing decentralization are sharply reduced. In addition to this, some of the lead organizations, such as the MLGRDE and the MPSR, face capacity problems, which may not be solved within the shortest possible time.

In spite of the challenges, one should not be pessimistic about the progress of decentralization in Ghana. Like democratization, decentralization is a long and bumpy road. As lessons are learnt and experiences shared, the prospects are not as dim as some will envisage.

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12 Potential and Limitation of Local Radio in Information Accessibility in Ghana

Kingsley Senyo Agomor and Minoru Obayashi

12.1 Introduction

In September 2006, Ghanaians went to the poll to elect district assembly members for the 138 districts. Prior to the 2006 elections, district assemblies (DAs) elections were held in 1988, 1994, 1998 and 2002. It is heart warming to point out that an elective local government system has been functional for more than a decade and a half, and four consecutive free, fair, transparent and peacefully implemented general elections for constitutional democracy have also been held in Ghana.

Decentralization has become a major concern, not only in Ghana but in almost all developing countries, as the subject has increasingly become emphasized by the international community and development partners (donors). It is seen as an important factor of poverty reduction strategy, as it is believed that decisions taken closest to local constituency can better reflect the preference of the citizens, especially the poor. It is also believed that decentralization promotes democracy by fostering local popular participation more dynamically compared with the centralized politico-administrative system (Katseli 2005; World Bank 2005).

Iwamoto claims that better responsiveness of local government has traditionally been justified by two arguments (Iwamoto 2001). The first involves administration. The local government is more efficient in service delivery because it usually has more information about the local population than the central one. Local government is also more effective in decision making than central government as required information is much less complicated and, therefore, easier to handle than by national government. Nevertheless, this explanation may not sound so persuasive. One can argue that a similar degree of effectiveness can be achieved if locally available information is readily transferred to the central government. In other

words, if information collection and sharing between local and central governments are streamlined and well coordinated, the central government can also utilize locally available information effectively.

The second argument is related to governance issues and appears more convincing. It argues that local government has more incentive to improve service delivery than the central government because it faces stronger voices from the population. In the case of a failure of a service delivery, a local government could suffer significantly, for example, in the form of defeat in a mayoral election, where mayors or chief executives are elected. In contrast, it might be argued, central government could be hurt less because local service failure does not entail big impact at the national level. Thus, decentralization is conducive to more efficient service delivery. This argument relies on the assumption that the population can have easy access to information related to local government policies and activities rather than those of the central government for monitoring and evaluating policy and administrative performances.

Stiglitz argues that a population suffers from agency problems when it does not have enough information about the actions of an organization, whether public or private, which is supposed to serve it (Stiglitz 2002). An organization may act against the interest of the population, although the former is an agency that is supposed to serve the latter, its principal. A public agency may inflict more damage on the public than a private one as it usually has an effective monopoly in many of its operational areas, and for the public exit is not usually an option. Local government is a type of public agency for serving its principals, that is, the citizens under its jurisdiction, but the local population has to face this agency problem.

The agency problem is caused by an asymmetry of information between local government and citizens. It is asymmetrical because local government has more easy access to citizen's views and preferences while citizens do not enjoy similar easy access to how governments are responding to their demands. If citizens can get enough information to eradicate this asymmetry and observe all the actions of the local government, they will be able to control local government by taking necessary measures (monitoring, giving incentives, or constraining its actions).

Usually local citizens are not monolithic and accessibility to information is not equally distributed among them. Quite often information and money tend to be found in the same pocket; that of a rich man, not a poor one. If decentralization aims at poverty reduction, it should improve information access of the poor. As markets cannot allocate information equally, poverty reduction policies must focus on the introduction of redistributive measures in information access in favor of the poor as an important and in-

tegral part of policies, which is currently not the case in Ghana (Government of Ghana and Development Partner 2007).

The intent of this chapter is not to offer a definitive solution to information asymmetry at the local level. It is only to evaluate preliminarily the available evidence related to information access for the population, especially for its poorest segment in the decentralization process, through a field survey in Keta District of Ghana. The choice of this district was influenced by a number of factors. First, the district is one of the oldest districts that has engaged in serious political activities. It is popularly referred to as the elections “World Bank” of the National Democratic Congress (NDC). (About 90% of the people in this district always vote for NDC because the founder of the party and former president Rawlings comes from Keta District. All other parties have less than 10% of the votes from this particular district. It is from the World Bank that resources are supplied with or without tears or difficulties. Thus applying the analogy of the World Bank, Keta District is where political and other resources come from.) In fact, Keta is the hometown of the mother of former President John Jerry Rawlings and the strong hold of the opposition party (Ayee 2006). It is the only district that has a local, privately owned radio station, Jubilee Radio, in the region. The District is within earshot of national radio and many rural and urban radio stations: Volta Star Ho, Ada FM, Peace FM, Joy FM, Obono FM, Adom FM, etc. Thus, the results from this famous area could deepen our understanding of issues of local governance in the district in particular and Ghana in general.

There are two types of access for information transfer in Ghana: monopolistic and pluralistic transfers. The former is managed by public entities, and the education system and administrative communication systems are examples. The latter, for instance mass media and the social network, are provided competitively by private/public organizations. The study focuses on the second type as it can provide information more freely than the first one. It especially highlights the role of local radio, which is locally produced and freely and easily accessible to illiterate poor who are often marginalized in the social network. The study employs a combination of both non-probability and probability sampling techniques for this purpose. In addition, in-depth interviews were conducted of certain key personalities in the district. The fieldwork started on 27 September 2006 and ended on 6 October 2006. The questionnaire was administered in the language of the respondent’s choice.

12.2 Role of Radio in Africa

The special interest in the radio is based on the fact that it is the favorite mass media in Africa. The World Bank estimates the number of radios in Africa to be 201 per 1,000 persons, compared to 43 televisions per 1,000 persons (World Bank 2002). A survey covering 12 African countries (Afrobarometer 2003) indicates that 54% of African respondents (41% in Ghana) listen to the radio every day, while 21% watch television and 13% read a newspaper. Almost everyone listens to radio news at least occasionally; only 14% never listen. Thus, radio is the most popular information media on the continent of Africa.

In Ghana, approximately 90% of the population has listened to the radio in the past seven days, and about 69% listen at least once a day. FM is the most-used reception platform, with 82% of those listening to radio via FM (Gadzekpo 2005; InterMedia 2005).

In making political decisions, the radio is the most influential media in Africa. Amponsah claims that the largest group of respondents surveyed (36.4 %) indicated the radio was the major source of information in making decisions on voting in 2002 in Ghanaian local elections, followed by friends/family (21.2%) and posters/friends (17.9%) (Amponsah 2003). It is also confirmed in Ghana that the radio affects social behavior more than other media on such issues as reproductive health (The Communication Initiative 2001), immunization (Akanke et al. 2005) and AIDS prevention (Benefo 2004).

12.3 Freedom of the Media in Ghana

Since the liberalization of the media in the early 1990s, the access of the people to information has remarkably increased in Ghana and in many other African countries. The 1992 Constitution of Ghana stipulates that the media should play a watchdog role to ensure good governance (Ghana 1992). The country's media landscape has undergone tremendous change since the return to constitutional democracy in 1993. The media has become a credible and useful tool not only in propagating and articulating government policies and programs but also in sensitizing people on issues that are of common interest to them. In addition, it provides the platform for cross-fertilization of ideas through public debates and forums.

The fundamental right to information in Ghana is founded on Chapter 5 of Ghana's Constitution, promulgated in 1992. It states, in Section 21(1) (f), that: "All persons shall have the right to... information, subject to such

qualifications and laws as are necessary in a democratic society” (Ghana 1992). In order to articulate this broad policy, the Right to Information Bill was created. However, at the time of this research in 2005-6, this Bill of 2003 was still pending before the Parliament.

Up until 2001, Ghana was criticized as one of the few countries with a Criminal Libel and Seditious Law on its books, with former President Jerry Rawlings insisting that the law was necessary. This Law was allegedly abused by authorities to arrest quite a significant number of journalists who wrote something harmful to the authorities. Current President John Kufuor promised during the 2000 election campaign to eliminate the Criminal Libel and Seditious Laws, which were duly repealed in 2001. It was a significant step in Ghana’s media history which liberated Ghanaian journalists from fear to be jailed. (Afrol 2001; Kafewo 2006). The revoke of the law in 2001 triggered a subsequent explosion in the media landscape, with a variety of new newspapers and radio stations coming into existence.

The 1992 Constitution (Chapter 12) provides for the establishment of the National Media Commission (NMC) and specifies the NMC’s independence in Article 172 with the provision that: “Except as otherwise provided by this Constitution or by any other law not inconsistent with this Constitution, the NMC shall not be subject to the direction or control of any person or authority in the performance of its functions” (Ghana 1992). Kafewo summarizes the mandate of the NMC, defined by the Constitution and the NMC Act, as follow: to promote the freedom and independence of the media; to ensure the highest journalistic standards in the mass media; to “insulate” the state-owned media from government control; and to provide registration of newspapers and other publications, but without exercising control over these operations (Kafewo 2006).

Currently, there are no legislative provisions that specifically support the community. However, the National Media Commission’s Handbook on Broadcasting Standards calls on all broadcasters to fulfill certain public interest goals, such as promoting local programming, national identity, national development, and greater participation in public life by marginalized people.

12.4 Development of the Media in Ghana

Ghana has an interesting range of media. It has six television stations, one of which is not in operation currently. Operational free-to-air TV stations (TV programs broadcast over the air without charge for the delivery of the

signal to the viewer) include one broadcasting nationally, two regionally and two locally. No free-to-air television channels have been established since 2006 in Ghana (Kafewo 2006). State-owned Ghana TV, under the Ghana Broadcasting Corporation (GBC), is the only station that has a national broadcast range. It receives government subsidy but also relies on advertising revenue.¹

Ghana has 106 newspapers (11 dailies, 67 weeklies, 23 bi-weeklies and five tri-weeklies). Many of the titles now in existence have appeared during the past five years, and more than 50% of the newspapers currently in circulation have come into existence in recent years (Kafewo 2006).

There are officially 130 radio stations in Ghana granted licenses to operate and, of this number, 96 are currently on air, mostly on FM frequencies. The vast majority of these stations have come into operation after 1996, when the state monopoly of radio waves was broken.

In addition to the expansion in newspapers and radio activity, there has been a rapid increase in mobile telephone use and some development in Internet access. Kafewo emphasizes synergistic effect of mobile phone with radio. Mobile telephones "have aided the work of radio, with phone-ins and text messaging now an integral part of Ghanaian radio programming. Mobile telephony has widened audience participation and allowed for debates to be raised on radio about almost every national issue. Phone-ins are also relatively frequent in TV programming" (Kafewo 2006: 7).

The popularity of radio as an important media has a certain history. Radio broadcasting in Gold Coast, Ghana's former name, began in 1935. Radio programs were mainly produced by the BBC and transmitted in Accra. During World War II, the popularity of radio broadcasting increased and its reach expanded as the colonial government tried to diffuse information about the war among the population. After the war, in 1954, the centralized Gold Coast Broadcasting System was established, and became the Ghana Broadcasting Corporation (GBC) after the independence of Ghana in 1957. In 1962, the GBC introduced rural broadcasting, which focused on topics such as agriculture, sanitation and nutrition in several local languages including Akan, Ewe, Ga, and Dagbani. The GBC went regional in the mid 1990s when GBC relay stations, having carried programs from Accra to the rest of the country, were transformed into regional FM stations. Regional stations have the capacity to develop program content of relevance

¹ According to the website, "Ghana Broadcasting Corporation has the mandate to inform, educate and entertain as well as engage in commercial broadcasting through the sale of paid adverts and exploitation of other sources of revenue related to the broadcast business." <http://www.gbcghana.com/aboutus/1/start/index.html> (accessed in August 2007)

to local people. However, the government still controlled programs of these regional stations (McKay 2003).

12.5 The Profile of the Keta District/ Study Area

The Keta District is located on the south-eastern coastal plains of Ghana with Keta as the district capital. The district is made up of two constituencies, namely Keta and Anloga with a total of 48 electoral areas. The 2000 census puts the population of the district at 137,751 out of which 64,302 (46%) are male and 73,448 (53%) are female.

The district is divided into two areas: a narrow strip of sand bar between Anloga and Keta, and the rest of the region. Keta, the capital city, is situated on the strip where the population is dense and most of the economic social infrastructure is concentrated. The communication between the two areas suffers from various weaknesses, especially with the middle and south western sections of the district (Angaw and Klomi lagoon basin) being underdeveloped and hindered by poor accessibility mainly due to third class roads and footpaths.

The Keta district is “deprived”² and rural with a registered voter population of 72,287. The people are mainly fishing and farming folks. Close to 70% of the district’s labor force depends on fishing. Men are involved in the direct catching of fish while women are into the drying, smoking, frying, sale and distribution of fish across the length and breadth of Ghana as well as the sale and distribution to the neighboring countries of Togo and Benin. The erratic and unreliable rainfall pattern of the area has made fishing and farming highly seasonal and precarious occupations. This situation has forced many, especially the youth, to venture into more viable economic and commercial activities, like trading, weaving and transport, to earn a living. The lagoon basin in the district was also noted for salt production.

The flow of seawater into the lagoon during excessive high tide appears to favor and improve the abundant production of shrimps, crabs and tilapia. Lagoon fishing presently has become lucrative. The new beaches and rubble mounds have created a protected area where fishermen can launch their canoes and give a secure home to the shore-based dragnet fishing industry.

² This classification is based on the categorization of districts made by the Ministry of Local Government and Rural Development in 1989. The districts are classified either “developed,” “moderately developed,” “deprived” and “most deprived.”

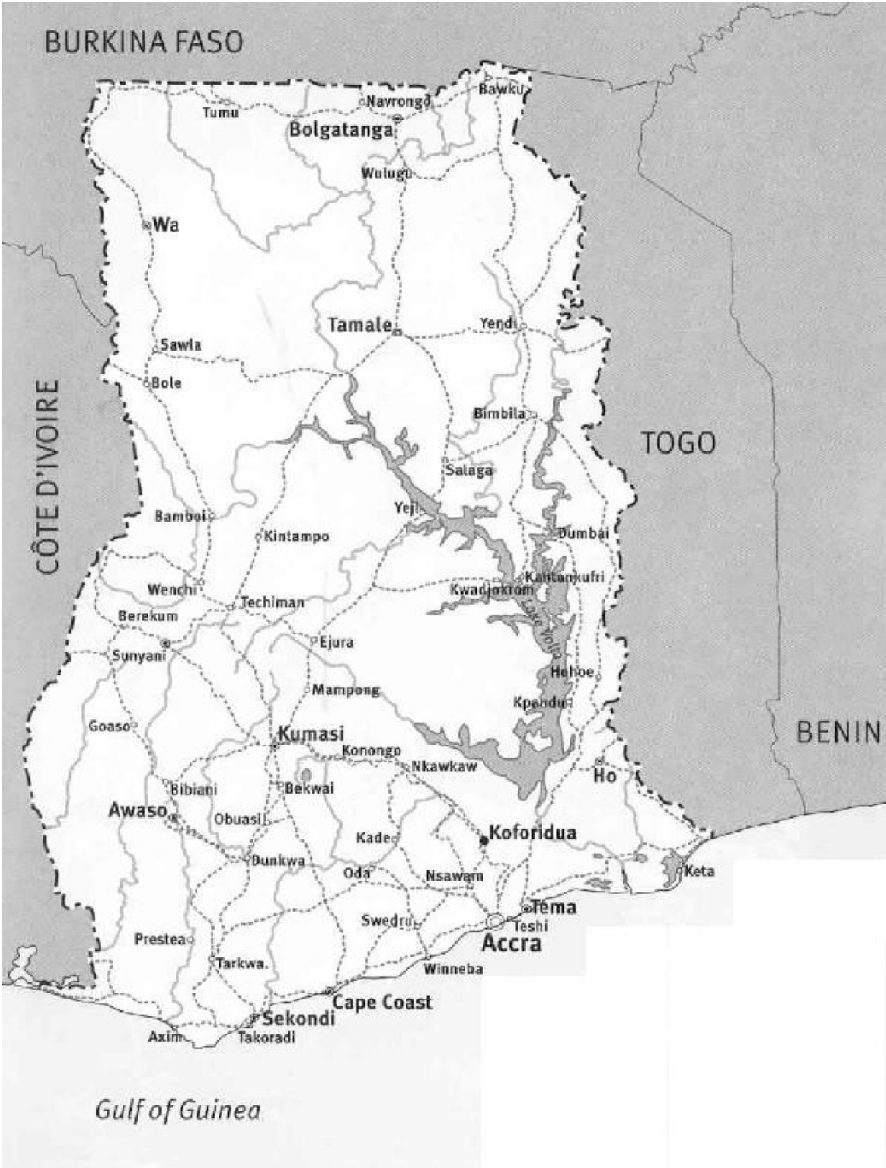


Fig. 12.1 Map of Ghana

Source: <http://www.folketinget.dk/BAGGRUND/statsrev/B70101B2.jpg>

Keta market in the past was the largest in the whole of West Africa due to the availability of salt and fish in the area. European Christian missionaries established the first school in this Keta District. Another factor that

gave prominence to the district was Fort Prezeinstein built for the slave trade. Keta, the district capital, was noted for national and international business activities during the early days (Kumassah 2003). Indeed, considering these factors, Keta was at one point proposed for the regional capital but for political reasons, this idea was abandoned.

12.6 Profile of Jubilee Radio

Among the news media in Keta, Jubilee Radio stands out as the only radio station which broadcasts various programs in the local language of this district. It is interesting to examine whether this radio station has enhanced the local population's accessibility to local government activities.

Jubilee Radio is a broadcasting agency established on 17 September 2004 in a rural area to provide an alternative news source to the parts of the Volta region, particularly the Keta District. It is privately owned with limited shares and its founder-owner, Reverend Joseph Adika, indicated that the station is a product of a special vision that he received from God to send a deliverance message to the people in Keta District. Consequently, the overall goal of the station is to sensitize the people for the transformation of their lives. Transmission of the station covers half of the Volta region, some parts of the Eastern Region and Greater Accra, the capital of the country. Transmission is targeted at nearly one million potential listeners.³ Most of the programs from Jubilee Radio and those received from other local radio stations are broadcast in national and indigenous languages.

The radio station has a staff of 15 including two newsreaders, two qualified journalists, and three trainees. At the time of this research Jubilee Radio was not operating fully due to a problem with a clash of frequencies that was being resolved. The most popular programs include prayer meetings on Friday mornings and morning shows where newspapers and national issues are discussed.

Jubilees' transmission to Keta people is enabled by indirect subsidy by consumers of Accra because of its proximity to the biggest city in the country. Its coverage of a part of Great Accra brings disproportional advertising revenues to Jubilee Radio which makes this broadcasting enterprise financially feasible.

³ Information by the Jubilee Radio.

12.7 The Impact of Radio Activities on Information Access in Keta District

To examine the relations between Jubilee Radio and people's access to information, certain sampling techniques were used. Two electoral areas from the two constituency capitals were purposely selected to serve as a control group. The rest of the electoral areas were stratified into rural and urban designation from which an additional 14 electoral areas were randomly selected to represent 30% of the total electoral areas. In all, 100 questionnaires were administered one-on-one with a 100% response rate.

The questionnaire was the main survey instrument used to solicit information from the field. Pre-testing of the questionnaire was done in the Ga District of the Greater Accra Region and responses from the pre-test were used to finalize the survey instruments.

In addition, in-depth interviews were conducted with certain key personalities in the district. These included the following:

- District Assembly officials
- Assembly members
- Jubilee Radio officials
- Officials from key democratic institutions, such as, the Electoral Commission and the National Commission for Civic Education (NCCE)
- Female contestants
- Male contestants

The study sought to examine the main sources of information on the district elections. Responses from the field identified six main sources as shown in Table 12.1 These were the mass media, NCCE, schools, Electoral Commission, friends/family, and house-to-house campaigns.

Evidence from the fieldwork suggests the supremacy of mass media. Slightly more than three out of every four respondents (77%) indicate the mass media (television, local radio, national radio, and newspapers) as the main source of information. Newspapers were the least used among mass media sources; this seems obvious because of the high rate of illiteracy and the issue of affordability. One important finding of this study is that respondents who indicated television and newspapers as the main sources are all urban dwellers in the district.

The majority (66%) of the people mentioned radio (local radio 42%, national radio 22%) and the responses were not evenly distributed geographically. Although local radio was favored both in rural and urban areas, proportionately more people in rural rather than urban areas relied on

Table 12.1 Main sources of information on the district elections (%)

	Place of Interview		Total
	Rural	Urban	
Television		10	10
Newspapers		3	3
Local Radio	25	17	42
National Radio	7	15	22
NCCE	2		2
Schools		1	1
Electoral Commission	2		2
Friends/Families	10	2	12
House to House	4	2	6
Total	50	50	100

Source: The field survey

local radio. It is believed that the impact of local radio in the district could have been higher if there were no problems of frequency clashes with other radio stations in the neighboring country, Togo, which were being resolved during the period when information was needed.

Another main source of information was friends and family, according to 12% of the total respondents. It was interesting to note that most of the respondents who indicated friends and family were quick to say, "I got the information on the district level election from my friend who said he or she heard it from radio."

The next source in line was house-to-house campaigns by the contestants. Only 5% of the respondents stated NCCE, Electoral Commission or schools as their sources.

While people value local radio as an important source of information, paradoxically enough, there has been little engagement, or a lack of awareness, by Jubilee Radio for its public responsibility. The programs of the Jubilee Radio station when examined were not designed to inform the people on decentralization. The activities of the station were restricted to playing music with a little chance offered for announcements. When Jubilee talks about the district assembly, it focuses too much on election related events and other activities of the assembly and its impact on real life is neglected.

The electorates did not often hear from their assembly members on the radio. It is true that the station has a campaign program reserved for contestants' speeches, but this broadcasting is motivated commercially and not for public interest. It is provided on a fee basis and does not guarantee equal opportunity either for poor contestants or those in remote areas.

An exception is Friday morning programs of Jubilee Radio that offer voters the opportunity to demand accountability or ask the district assembly questions. The district chief executive affirmed that he used the radio to address people's concerns and added that the Friday program of Jubilee Radio was a source of pressure on the assembly and other public institutions in the district. This is particularly true because the Friday program is initiated not by the assembly but by the audience together with the Radio, and also because the program has been fostering interaction between listeners and district leaders. This is especially important since the chief executive cannot be removed by the public (as explained in the previous chapter of this volume). However, this privilege of phone in was limited to those who had radio and telephone facilities.

Listeners have another opportunity to express themselves and interact with other listeners in phone-in shows that are the most popular programs of Jubilee Radio. In this kind of program, a reporter comes to a listener for an interview with a mobile phone to broadcast his or her voice through the station. Although it provides equal opportunity for all segments of the audience, beneficiaries must be in areas of urban transportation and the population of the rest of the district is practically excluded because of the constraint of a transportation fee. The rural poor are deprived of the opportunity.

The disinterest of Jubilee in its public responsibility is easily understandable as the station has commercial status. It is crucial to build up an institutional setting which gives adequate incentives to this powerful media for developing its potential for public interest.

12.8 District Assembly in Keta

The assembly, on the other hand, did not have any policy on information supply and had not made any effort to disseminate information. The reason is simple. There is no instruction or incentive structure to communicate with the people. The chief executive is not elected but appointed by the national government; administration officers cannot be fired locally since they report directly to central ministries, but not to local people or the assembly.

The assembly officials stated that they relied on the assembly members in this kind of activities. In fact, almost all the respondents asserted that the assembly never organized public information or education programs in their communities. Although dependence on the assembly members, who do not get enough information or necessary logistic support, has been inef-

fective over the years, it remained the major means of information flow to and from the assembly.

This indifference to information dissemination is obviously a result of a misconception and a weak design of the decentralization process. The information that the assembly possesses is a property of the public. Although a secretive or private use of public property is a serious offence against public interest, there are neither penalties for the secretive use or incentives for transparency in decentralization design.

Assembly members are rarely re-elected. Common allegations that the general public have against their assembly members are that they rarely deliver on their promises (mainly realization of small-scale infrastructure development) and that the level of interaction between the general public and their appointed or elected representatives in the assembly is low. The assembly members are, on the one hand, rightly evaluated because of the gap between promise and delivery, and wrongly, on the other hand, because the funds available for the assembly are minuscule, maybe less than constituencies imagine ("imagine" because the information about such funds is not disseminated). Moreover, the survey found a development of the dependence by the assembly members on the administration of the district assembly. For formulating and defending their projects, assembly members need technical expertise that only the administration can provide. The administration monopolizes necessary technical knowledge due to the absence of non-governmental organizations (NGOs) that could otherwise provide alternative support to the assembly members and also due to the lack of financial resources for contracting private consultants. Thus the monopoly created dependence.

In terms of communication, the respondents claimed in interviews that the assembly members never organized meetings of the community to inform them about programs and activities of the district assembly. The study confirmed this opinion. Only 38% of the people stated the assembly member in their area ever organized some form of meeting or program for them to participate in. An overwhelming majority of 62% said the assembly member in their area never organized any program for them as shown in Table 12.2.

Table 12.2 Meetings organized by assembly members (%)

	Percentage
Monthly	5
Quarterly	8
Before Assembly meeting	4
Yearly	7
After Assembly meeting	14
Never	62
Total	100

Source: the field survey

The performance of the assembly members was not only judged in terms of development they brought to the area but also their ability to communicate or interact with the electorates. Unlike in the cities, where people complained that they did not know their assembly members, the situation was different in Keta District as whole. Most of the people (64%) claimed they knew their assembly members and could mention the names. Others said they knew the assembly members but that they could not recollect the names of their representatives. The rest who said they did not know their assembly members were mainly those in the urban areas. In the rural setting, the assembly members could play a crucial role in bridging the information gap on decentralization.

12.9 Other Institutions for Supporting Communication

The Electoral Commission and National Commission for Civic Education (NCCE) are two key public institutions established by the 1992 Constitution to facilitate participation in elections in providing relevant information. The type of information they transfer is relatively limited and the way in which such information is disseminated tends to be unilateral. The Electoral Commission is the main institution created to manage the electoral process and educate the people on how to vote. The NCCE, *inter alia*, is charged with the responsibility of educating the populace in such a way as to make them good citizens who will be active participants in building and sustaining democratic governance in the country. However, citizens' engagement in public education with EC and NCCE is very low. As shown in Table 12.3, only 25% attended EC education programs while 15% of the respondents attended those of NCCE. Out of 15 people who attended the NCCE program, 13, representing 86.7%, voted. Similarly, out of 25 people who attended the EC program, 19, representing 76%, voted. There is a

Table 12.3 Participation in other institutions to support communication (%)

Issues	Yes	No	Total
Attendance at EC meetings	25	75	100
Attendance at NCCE meetings	15	85	100

Source: The field survey.

high correlation between attending a public education program and participation of citizens in voting. But the under-performance of these organizations requires profound evaluation and redefinition of their objective and functions.

12.10 Conclusion

The field survey in Keta District found that the decentralization process is not accompanied by a new information system which is crucial to make decentralization work. Within the conception and design of the decentralization plan, it seems that little effort has been made to integrate expanding information transfer to the poor into the overall institutional arrangements. Without increasing access to information, local people cannot monitor and control their administrative and political agents. Moreover, information is unequally distributed between the urban and rural areas, literate and illiterate, rich and poor, elite and marginalized.

The introduction of information strategy into decentralization is urgently needed. This strategy should include a design of institutional arrangement for all actors of decentralized areas. The district assemblies should be instructed to create an information strategy and to implement it. The legal framework should be enhanced to rule out secrecy.

Experience with Keta reveals that the mass media remains the main information channels for the citizens and an important element in local accountability. In addition, the supremacy of radio over other media is confirmed, especially among rural poor. Radio is accessible to all, especially when broadcast in the local language. Radio is free for most of the audience and provides good opportunities for participating in discussion of public issues particularly when mobile phone-in is used with radio programs. But the potential of radio is overwhelmingly underexploited. Radio stations have no incentives for broadcasting public information, and there is no constraint against partisan transmission. Public entities have the scope to improve funding of social and public programs, to develop programs for widening public participation, especially those of the rural poor,

to campaign for the broadcasting of all contestants in an independent and non-partisan manner.

It is also important to remember that the media is vulnerable to capture by political, administrative or economic elites; to pressure by government and military; to financial and management instability; and to a lack of skill and the spirit of journalism. In the history of African media, we have witnessed many heroic journalists and, at the same time, hate mongers and demagogues. But when people can have access to accurate and fair information freely, it is hoped that good money will always drive out bad.

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13 Conclusions

Fumihiko Saito

13.1 Usefulness and Limitations of the Actor Perspective

Chapter 1 of this book has introduced the actor perspective as a useful and unique contribution of this volume. The subsequent chapters have proven this point relatively convincingly. This perspective reveals dynamic interactions among diverse stakeholders who may have competing interests over the change of political and administrative systems in the name of decentralization. Often, dynamic changes taking place in one relationship influence other relationships. For example, if the allocation of authority is shifted between central and local governments, this change in central-local relations affects how other non-governmental organizations (NGOs) and/or civil representatives approach government offices both nationally as well as locally. The actor perspective, therefore, has a certain value.

The contributing chapters demonstrate its application in respective case studies. As Aoki (in this volume) has demonstrated, dynamics of locality, those of national as well as those of international dimensions, are mutually influencing each other. Since Flores in Indonesia was at the periphery of this large and populous archipelago country, the island remained relatively calm without much intervention by the centralized authoritarian regime of Soeharto. But this changed significantly, due to the change in the international political-economy at the end of the Cold War that put pressure on successive governments in Jakarta to adopt decentralization as a promising reform. Thus, even on the small island of Flores, decentralization affects relations between local elites and ordinary people who have a different understanding of what this reform is about.

Mutually influencing dynamics are apparently not static, and change over time. Similar to Aoki's assertion, my chapter on Uganda also clearly shows how interactions evolve over time. As the two chapters on Uganda attest, the current regime has been in power for more than two decades. This prolonged position seriously affects the way in which not only people

perceive how such a reform policy as decentralization is implemented, but also ways in which critical resources of civil servants and finances are allocated between different offices of the government. Thus, as my chapter has argued, it is useful to pay due attention to such resources, particularly because their allocation significantly changes dynamic relations between diverse stakeholders.

Similarly, the contemporary predicament of South Africa after the end of apartheid, as discussed by Tapscott in this volume, has also clearly shown that the change of political system affects people's perceptions, which in turn influences the ways in which actors select a particular course of action. Even after more than a decade of democratization since the end of apartheid, black majorities in rural areas have not started to feel tangible improvement of public services. Thus, this frustrated feeling erodes public confidence in the announced policy of decentralization. When trust is not observed in the post-apartheid state of South Africa, it is no easy task to coordinate policy directions and popular aspirations.

It is interesting to observe some parallels between the state-society relations in South Africa with those in India. As examined by Saito and Kato, the relations become clearer by comparing the two states in India. As they demonstrated, while both Karnataka and Kerala implemented decentralization ahead of other states in India, Kerala has achieved noticeable results by taking advantage of decentralization in contrast to Karnataka which could not sustain its original aspirations. One of the main reasons, according to the authors, is the different characteristics of civil society in these two states. While in Kerala civil society enjoys autonomy without much subjugation to the state government, in Karnataka, civil society organizations have often become implementers of government programs being dependent on foreign aid. In Kerala, civic participation has been driving collective actions in collaboration with the state government. In Karnataka, however, more bureaucratic and top-down cooptation of civil participation unfortunately came to be the norm. As the authors speculate, these differences may ultimately be traced to differences in broader social situations; Kerala outperforms Karnataka in literacy and women's advancement in socio-economic activities.

The accessibility to information is essential for trust-building as well as for facilitating collective actions at local levels. The chapter by Agomor and Obayashi thus pays attention to the role of media and accessibility to information which is often a missing linkage between decentralization and pro-poor outcomes (often assumed policy results of decentralization). Even with decentralization, if people have much easier access to central government policies and activities rather than those of local governments (that is often the case in many Sub-Saharan African countries), one cannot an-

ticipate that local governments can be more democratically accountable to people than the central government.

On the other hand, there is some criticism against the actor perspective. The perspective itself is useful. But probably this alone would not constitute *the* analytical lens needed for such complex social change as decentralization. For instance, as already hinted, underlying structural factors may be underemphasized even though they significantly affect ways in which dynamics change. Unless due care is taken, the gap between the rich and the poor, as well as between the powerful and the marginalized, may not be fully captured by the actor perspective alone.

It may be that, in addition, this perspective tends to treat one category of stakeholder as a homogeneous unit. The notions of community, village, nation, and the like, are human constructs. They do not exist without human imagination. While it would be possible to apply such categories carefully within the overall actor perspective, there is some danger that once these categories are applied they may be treated as “objects” as if they exist without social and historical contexts.

Put differently, the actor perspective is a necessary perspective but may not be a sufficient one. It can be combined with political, economic, and anthropological analyses. The actor perspective is flexible. This has both merits and demerits. Since it is a flexible perspective, it helps many analysts to use it. On the other hand, flexibility may engender loose and incoherent viewpoints that do not allow solid investigations. Overall, what is considered the strength of the approach can also be a weakness if applied mechanically.

13.2 Comparative Analyses of Decentralization

What does the popular policy of decentralization look like from the actor perspective? Table 13.1 shows a summary of six countries that this volume has investigated. For the lack of space, no country summary is provided here. Instead, brief discussions of cross-cutting themes are provided.

The second chapters on both Ghana and India highlight the importance of information. While the former pays particular attention to the role of local-language radio, the latter suggests the differences of the literacy ratio in general as a determining factor for civil society in two states in India. Common to both chapters is the assertion that unless people’s accessibility

Table 13.1 Summary of Decentralization Backgrounds and Important Factors in the Study of Six Countries

The State	Indonesia	Kerala, India	Sri Lanka	Uganda	South Africa	Ghana
Transformation of the state	A large archipelago country in transition from "developmental dictatorship" to "reformation."	A unique state in India, with a legacy of the communist state government, even in non-communist times.	A small island country, with strong characteristics of a welfare state.	A landlocked small state showing increasing signs of authoritarianism.	Post-apartheid state at a crossroads between developmental state and continued control by state over people.	Aiming for democratic developmental state yet is basically neo-patrimonial state.
Rules of decentralization	Not fully articulated since the two laws in 1999 (No. 20 and 25) were prepared hastily without due care.	The constitutional amendments in 1993 promoted decentralization to commerce. Parts of the rules are still ambiguous.	The 13th amendment to the constitution (1987) set up Provincial Council. Yet a dual structure remains with a heavy dominance by the center.	Clearly written in the 1995 constitution, with highly elaborate subsequent legislation. The structure is one of the clearest in Africa.	Clearly written in the 1996 constitution. While the formal objective is to promote participation and democratization, in practice the focus has shifted from political democratization to macro-economic growth.	Clearly written down in the 1992 constitution, and the structure is elaborated in subsequent acts. Yet the policy direction is indeterminate.
Objectives of decentralization	Unification of the state. Political objectives overweigh developmental ones.	The idea of local self-governance has existed since independence. This spirit was revived in the context of constitutional amendments.	To maintain the integrity of the state by settling the long-lasting ethnic conflict between Tamils and Sinhalese. Political objectives overweigh developmental ones.	To strengthen the political foundation of the regime through promotion of popular participation and development. Political and developmental objectives well matched.	To reduce the size of the government sector, while to promote participation and democratization still remains rhetorically. The emphasis has been shifted from political democratization to macroeconomic growth.	Promotion of development through small government. But the motivation for decentralization comes from outside, and objectives are not clearly envisaged.

Civil Society	Still constrained due largely to the legacies of long-lasting centralized authoritarian rule.	Autonomous and some aspects are very well organized, forming networks.	Relatively active but recently government control has intensified.	Restriction from the state is weakening. Now more active mostly in advocacy and service provision.	Restriction from the state over NGOs is weakening. It is now more active. Some parts are autonomous and active yet constrained by neo-patrimonialism.
Market forces	Largely influenced by foreign capital but in some parts indigenous capital is growing	Economy is growing, but production sectors suffer from structural problems. Foreign capital started investment due to slow liberalization.	Economy is growing, but production sectors suffer from structural problems. Poverty is also still high.	Highly praised and largely successful structural adjustment programmes. Economy is recovering yet still vulnerable in global economy. Poverty is still high.	The economic giant of Africa. Yet it is unstable domestically, for the recovering yet still vulnerable in global economy. Nurturing of black entrepreneurs urgently required.
Partnerships	The state controls the ways in which partnerships take place. Limited partnerships.	Partnerships between the state government, civil society and NGOs are observed. Some are quite effective	The state largely controls the ways in which partnerships take place. Limited partnerships.	Some forms of partnerships, largely in the domain of service provision, can be observed.	Emerging in some localities. Some interesting cases are observed but limited in general.
Autonomy of local governments	Some agendas are controlled by the center.	Not many restrictions on civil society and NGOs.	Only nominal - the control from the central government is strong.	Many restrictions on finance and resources. Many restrictions on finance and resources tend to restrict municipalities to go beyond the traditional service provisions.	Many restrictions on finance and resources.
Synergy effects of partnerships	Unclear.	Spreading.	Unclear.	Some effects are emerging.	Emerging in limited spheres.

to information is improved significantly, “bringing power close to the people” (the expression often used for explaining decentralization) remains an empty shell. But as Agomor and Obayashi point out, usually information accessibility does not attract much attention by those who design and implement decentralization measures. For effective governance, this issue has to be more fully integrated in relation to electoral reform, fiscal decentralization, and personnel management.

It is important to pay attention to popular perceptions of the role of local government in the age of decentralization. This has multiple dimensions. At one level, as Aoki argues, how ordinary people perceive and understand such a complex policy as decentralization differs depending on one’s geographical location, level of education, and accessibility to information. Rural poor and urban elites may depict very contrasting views of the same policy. This is indeed the case in Indonesia. Thus, uncovering the real meanings of policy messages in specific socio-historical contexts of diverse stakeholders is essential in order for the policy to have the desired effects of democratization and development. However, this kind of research remains very challenging. Not much “anthropology” of the multiple effects of decentralization measures has been seriously conducted in developing countries, let alone undertaken comparatively across countries.

At another level, popular perception is a good reflection of how effectively decentralization has been implemented. In Uganda, it is clear that ordinary people value the LC system very highly, due largely to improved services and the process of consultation at the grassroots level (Chapter 8). In this case, even if people do not know the word “decentralization,” they are reasonably aware of what local council means and who the councillors are, especially in the grassroots councils. The upper level councils do not enjoy a similar level of understanding, even in Uganda. In contrast, in Sri Lanka, among our study countries, even if autonomy is formally granted to provincial councils, rural people generally do not know much about the names of leaders and what these councils perform. Correctly identifying the name of local leaders is an important barometer to gauge to what extent people value the relevance of local government. If these names are unknown to people, local government tends to be relatively irrelevant. The case of Sri Lanka is probably more the norm than the exception in developing countries. Assessment of policy reform such as decentralization becomes more fruitful if these multiple dimensions of popular perceptions are adequately incorporated.

These discussions bring us back to the very fundamental questions that we have to ask ourselves: For what purposes is decentralization considered “good” in the very beginning? For whose benefit are decentralization measures proposed? The answers vary from country to country. But there

is one essential dimension to gauge: the extent of external influences in adopting decentralization. It can be argued that if the extent of such influences is large, then the policy is imposed by international donors or some other organizations, and thus the end results may not be beneficial to ordinary people, let alone to the poor. In both Sri Lanka and Ghana there seem to be such external influences. In Sri Lanka, the idea largely came from India in the context of the complex historical relations between these two countries. Ghanaians were advised by the neo-liberal orthodoxy of the donors in which decentralization was packaged together with other reforms. While intentions might have been benevolent, external imposition tended to erode the political foundation and social acceptability of such an essential policy.

In contrast, in Uganda, at least up to around the late 1990s, the main motivation for decentralization came from the regime in power itself. That was why this small country has been so committed to decentralization. Kerala in India also presents a unique example of indigenous motivation. There a series of social movements were already organized effectively long before decentralization measures were applied. This background helped to form collaborative relations between the state government and civic leaders. Probably Indonesia and South Africa would be located in between the two extremes of Sri Lanka and Ghana, on the one hand, and Uganda and Kerala, on the other. In both Indonesia and South Africa there were mixed sources of motivation for decentralization measures; some related to domestic factors and others to external influences. While the neo-liberal influences have been noticeable in both cases, special domestic factors were also very significant. In the case of Indonesia, the transition from the 32 years of the centralized Soeharto regime to a more democratic society has been particularly challenging, not only in maintaining economic prosperity, but also in securing political integrity (resolving separatist movements after the “loss” of East Timor has been significant). In South Africa, the transition from apartheid to “the rainbow” (meaning that all races live in harmony) has been an enormous challenge politically, economically, and socio-culturally. Thus, the motivation question significantly influences how policies are designed and subsequently implemented with or without collaboration with other stakeholders.

13.3 Putting Decentralization Measures into Perspective

It may be important to keep in mind that this is not the first time that the developing world has been experiencing decentralization (Mawhood 1993;

Saito 2003). Decentralization was at least contemplated when the transition from colonial to independent authorities was planned. This was because decentralization was considered to be more suitable for multi-ethnic and multi-religious developing countries, particularly on the African continent. However, in most post-colonial governments, the choice for new political leaders was centralization, which in their views was equated with “strong” government. The centralized governments, on the one hand, have contributed, to some extent at least, to creating national cohesion and to the provisions of some public services such as primary education. On the other hand, centralization contributed to personalization of politics and increasing tendencies of neo-patrimonial rule in tropical countries, especially in Africa (Hyden 2006). While some limited experiments were tried to implement decentralization in the 1970s, their results were far from impressive. These results were not surprising as long as centralized control and neo-patrimonial states prevail in Asia and Africa.

Since the 1980s, we are witnessing the third wave of decentralization in various developing countries. This time, it is often implemented in conjunction with structural adjustment programs (SAPs), reflecting neo-liberal views that emphasize economic liberalization and market efficiency. Curiously enough, the same policy is often supported by the advocates of “post-development” who emphasize especially empowerment by bottom-up activities (Saito 2003: chapter 2).

So how can we understand this popular policy of decentralization?

First, decentralization is a process to redefine the roles and responsibilities of the central and local governments. While the phrase “nation building” is no longer commonly used nowadays (unlike in the 1960s when newly independent governments were celebrated enthusiastically both by leaders and citizens in Asia and Africa), public sector restructuring in general, and decentralization endeavors in particular, are indeed inexplicably linked with the notion of nation building (Bangura and Larbi 2006). Government in general, in whatever balance is effected between the central and local governments, therefore, continues to play an important role. It might be appropriate to say that the governance agenda has recently highlighted the role of the government (Batley and Larbri 2004; Bates 2006).

Second, decentralization is essentially a political process. Although there are several important factors that distinguish successful from unsuccessful implantation of decentralization, perhaps the most essential is political motivation, as seen in the previous section. As our comparative analyses have articulated, one of the most significant factors for success is the nature of the state itself and how the reform of the state is understood by political leadership in the countries of Asia and Africa. Uganda has been pioneering on decentralization, because it suited the interest of the

NRM who took power in 1986. But now the same government seems to have lost its original interest, because the current political landscape is not the same as in the late 1980s (perhaps thanks to the success of decentralization ironically). Kerala State in India was also serious in implementing some policies that other states in India have not attempted. This was also because the communist government in Kerala was influential, and even other political parties cannot ignore the communist legacies there. Not many comparable situations were observed in India except for West Bengal.

Therefore, for a full understanding of decentralization reform in particular, and governance agenda in general, it is indispensable to pay due attention to factors related to political dynamics. The third conclusion that is drawn from the case studies in this volume is that any attempt to achieve “good governance” is far from an easy technical fix. It is useful to learn from various experiences in other countries. Nonetheless, what is crucial is the political context in which reform attempts are put in place. Local democracy cannot be transplanted by “importing” an institutional design which works elsewhere.

Fourth, these conclusions have important implications for practical activities. While many donors are funding decentralization projects and programs, not sufficient attention has been paid to this prominence of politics. It is acknowledged that the donor agencies cannot and should not interfere with domestic politics of recipient states. However, since decentralization is indivisible from politics, the border between what constitutes domestic politics and what influences is allowed by foreign aid is significantly blurred. Thus, foreign assistance in governance agenda in general, and decentralization in particular, needs much more articulation. It is not sufficient to merely come up with reasonably good institutional designs. What matters is how these designs are to be implemented in actual political situations in Asia, Africa and elsewhere. For a better understanding of political dynamics of the interactions between diverse stakeholders, the actor perspective, as has been repeatedly demonstrated, is a good tool with which to begin.

As a corollary of this view, in order for any decentralization measures to be successful it is absolutely necessary to harmonize and coordinate in a much more systematic way different reform endeavors that are often implemented separately from each other. Effective governance reform in general, and decentralization policies in particular, need to be examined within a holistic framework. Often support for the government, market, and civil society is offered without much mutual linkage. More specifically, decentralization is often pursued for the administrative reform, while privatization and liberalization are implemented for harnessing market

forces. In addition, participatory and empowerment-focused grassroots activities are conducted to release the energy of civil society. What is problematic is that these respective measures are usually provided without a coherent vision. This kind of scattered support has produced partial results at best. What is needed is a linking of these separate assistance activities with a focus on locality (Helling et al. 2005).

Decentralization is, after all, not an end in itself. It is a means to something else. It is often contemplated to create a better future. Discovering desirable future visions is a never-ending process. It is preferable if such visions draw upon the process of consensus-building which must encompass the participation of a wide range of people, not only leaders but ordinary citizens as well. Together they can be entrusted to define their own future. What sort of sustainable local society would they like to construct? If decentralization is a promising means for such an end, this volume has attempted to illuminate the fact that there are innumerable aspects of decentralization to be examined.

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Index

A

Abdul Nazir Sab State Institute for Rural Development (ANSSIRD) (India), 102
accountability, 9, 10, 13, 36, 50, 88, 126, 133, 149, 150, 153, 158, 176, 181, 185, 187, 188, 192, 199, 203, 223, 224, 225, 236, 241, 244, 245, 249, 251, 252, 253, 270, 273
Aceh (Indonesia), 50, 51, 52
actor, 2, 7, 8, 11, 12, 49, 50, 52, 70, 109, 254, 256, 273
 see also agency
actor perspective, 1, 11, 17, 22, 277, 279, 285
administration, 26, 27, 43, 47, 52, 54, 65, 67, 78, 115, 117, 118, 119, 121, 124, 127, 128, 129, 131, 137, 138, 139, 140, 141, 142, 146, 150, 182, 186, 192, 201, 206, 214, 217, 218, 219, 220, 225, 234, 235, 246, 252, 255, 259, 271
 see also bureaucracy
administrative reform, 166
 see also local government reform, administrative village, 55, 60, 61, 65
administrator, 174, 180, 182, 214, 215
 see also civil servant
African National Congress (ANC) (South Africa), 188, 189, 192, 194, 195, 196, 200, 219, 228

African Peer Review Mechanism (APRM), 245
agency, 14, 76, 77, 79, 81, 94, 105, 107, 153, 177, 192, 213, 215, 219, 220, 230, 260
 see also actor
Amin (Uganda), 137, 141, 142
anthropology, 49, 56, 63
apartheid, 21, 186, 189, 190, 191, 199, 213, 214, 215, 216, 217, 219, 220, 226, 278, 283
Area Tender Boards (ATBs) (Uganda), 148
association, 41, 58, 144, 179, 180, 251
attorney general (AG) (Sri Lanka), 124
autonomy, 4, 5, 8, 9, 10, 12, 18, 20, 31, 32, 35, 36, 38, 40, 41, 42, 50, 53, 54, 55, 58, 62, 65, 67, 78, 79, 91, 94, 107, 108, 110, 116, 120, 121, 122, 125, 126, 127, 129, 138, 139, 140, 142, 147, 148, 153, 154, 155, 156, 160, 181, 199, 249

B

bottom up, 7, 42, 49, 158, 167, 247, 284
 see also top down
budget, 35, 43, 44, 98, 103, 109, 124, 146, 150, 157, 175, 179, 188, 192, 193, 197, 198, 199, 201, 202, 203, 220, 221, 241, 243, 247, 249, 250, 253
Buganda (Uganda), 138, 140

bureaucracy, 9, 28, 29, 42, 49, 110,
119, 133, 219, 220
see also administration

C

central government, 2, 4, 5, 6, 9, 15,
26, 27, 31, 33, 34, 35, 36, 37, 38,
41, 42, 43, 45, 47, 50, 51, 52, 53,
55, 58, 60, 62, 67, 70, 95, 106,
114, 115, 118, 124, 125, 129,
132, 138, 140, 141, 142, 146,
147, 148, 150, 154, 155, 156,
171, 172, 174, 175, 176, 179,
181, 185, 214, 215, 216, 218,
223, 234, 238, 242, 243, 244,
245, 249, 259, 260, 277, 278, 284
see also government, local
government

Central Tender Board (CTB)
(Uganda), 148

chief administrative officer (CAO)
(Uganda), 148, 154, 174

chief financial officer (South
Africa), 196

citizen, 26, 28, 33, 39, 49, 52, 84,
94, 104, 105, 106, 108, 109, 124,
133, 153, 181, 185, 193, 194,
199, 200, 203, 204, 205, 207,
219, 220, 222, 223, 226, 242,
245, 251, 253, 259, 260, 272, 273

citizenship, 54, 181, 190, 216, 225

civil organization, 105, 106
see also civil society
organization, community-based
organization (CBO), non-
governmental organization
(NGO)

civil servant, 35, 50, 139, 141, 146,
147, 148, 149, 154, 243, 248
see also administrator

civil society, 10, 19, 20, 28, 29, 30,
33, 39, 42, 44, 50, 60, 87, 94, 95,
96, 97, 105, 107, 108, 110, 127,
133, 178, 182, 193, 203, 206,
254, 278, 285, 286

civil society organization, 94, 95,
100, 107, 110, 157, 158, 160,
251, 252, 253
see also civil organization,
community-based organization
(CBO), non-governmental
organization (NGO)

clientelism, 135, 153, 165, 179, 181,
182, 224

Cold War, 5, 49, 54, 56, 57, 277

collective action, 8, 9, 10, 12, 17,
166, 178, 278

colonial, 25, 26, 48, 50, 55, 57, 58,
61, 62, 65, 70

common good, 166

communication, 31, 119, 150, 167,
188, 218, 229, 252, 254, 261,
265, 271, 272, 273

see also information, media

communism, 49, 53, 54, 56, 60, 62

community, 8, 36, 38, 41, 42, 43,
54, 83, 96, 101, 115, 117, 120,
121, 133, 166, 169, 178, 191,
192, 193, 195, 199, 201, 202,
203, 205, 213, 214, 263, 271

community-based organization
(CBO), 179, 203, 204

see also civil organization, civil
society organization, non-
governmental organization
(NGO)

conditional grant, 154, 171, 176
see also unconditional grant

conflict, 15, 27, 30, 40, 41, 51, 61,
69, 91, 115, 116, 117, 120, 121,
138, 139, 140, 146, 205, 246

conflict resolution, 68

constitution, 31, 59, 60, 67, 77, 79,
89, 98, 107, 113, 114, 116, 118,
123, 124, 132, 143, 144, 145,
147, 148, 152, 174, 186, 188,
191, 192, 196, 198, 200, 206,
215, 216, 224, 235, 236, 237,
238, 239, 241, 243, 247, 249,
262, 263, 272

consultation, 4, 6, 7, 9, 14, 35, 124,
143, 169, 178, 189, 201, 204,
205, 247, 252, 253, 282
consultation process, 9, 12, 13, 201
Convention People's Party (CPP)
(Ghana), 233, 234, 236
corruption, 40, 51, 52, 78, 109, 141,
148, 159, 195, 197, 200, 234,
246, 252, 253
councillor, 139, 149, 151, 153, 158,
169, 176, 192, 194, 195, 199,
200, 203
county, 140, 146, 147, 149, 150
culture, 42, 45, 53, 54, 55, 65, 66,
67, 70, 197, 201, 205, 206, 220,
226, 253
customary law, 54

D

decentralization, 1, 3, 4, 6, 10, 15,
18, 20, 26, 27, 28, 31, 32, 33, 35,
36, 42, 44, 45, 47, 48, 49, 50, 51,
52, 53, 55, 56, 58, 60, 62, 65, 67,
69, 75, 76, 79, 81, 82, 85, 89, 90,
93, 94, 95, 98, 99, 100, 102, 103,
105, 106, 109, 110, 114, 115,
116, 120, 121, 124, 129, 134,
142, 143, 147, 152, 153, 154,
159, 160, 161, 165, 166, 167,
169, 174, 175, 176, 180, 181,
185, 186, 189, 193, 204, 205,
206, 229, 233, 234, 235, 236,
238, 239, 241, 242, 244, 245,
246, 247, 249, 250, 251, 253,
254, 255, 256, 259, 260, 261,
269, 271, 272, 273, 284, 285, 286
see also devolution
Decentralization Policy Strategic
Framework (DPSF) (Uganda),
180
decentralized planning, 19, 76, 82,
89, 90
deliberation, 53, 131, 165, 169, 176,
177, 182
deliberative democracy, 9, 12, 13

see also democracy,
democratization, participatory
democracy
democracy, 3, 9, 10, 12, 13, 14, 19,
21, 22, 27, 29, 32, 36, 39, 41, 44,
45, 48, 50, 53, 56, 57, 58, 59, 60,
61, 62, 65, 66, 67, 75, 76, 77, 90,
129, 143, 160, 161, 169, 183,
185, 187, 188, 189, 190, 192,
195, 200, 201, 203, 207, 214,
224, 229, 230, 241, 251, 259, 262
see also deliberative democracy,
democratization, participatory
democracy
Democratic Alliance (DA) (South
Africa), 194, 195
Democratic Party (DP) (Uganda),
138
democratization, 1, 5, 18, 31, 33, 35,
36, 40, 41, 42, 44, 49, 50, 55, 56,
57, 59, 60, 69, 183, 206, 234,
256, 278
see also deliberative democracy,
democracy, participatory
democracy
development, 1, 2, 3, 5, 9, 10, 14,
21, 28, 29, 30, 33, 40, 42, 50, 53,
57, 75, 77, 78, 79, 80, 81, 82, 83,
84, 87, 88, 89, 90, 95, 97, 98, 99,
101, 104, 105, 106, 108, 109,
110, 116, 117, 118, 119, 120,
121, 122, 126, 131, 132, 133,
134, 141, 145, 146, 161, 165,
169, 170, 178, 181, 188, 189,
190, 191, 192, 193, 198, 202,
203, 204, 207, 229, 233, 235,
237, 243, 244, 247, 253, 255, 263
developmental dictatorship, 5, 50,
104
developmental local government
(DLG), 189, 192, 193, 205, 206,
225
devolution, 115, 116, 117, 122, 123,
124, 125, 127, 128, 129, 130,
131, 132, 133, 134, 135
see also decentralization

District Assemblies Common Fund (DACF) (Ghana), 247, 250, 253
 district assembly (DA) (Ghana), 21, 22, 237, 238, 239, 241, 242, 245, 246, 247, 248, 250, 252, 253, 254, 255, 259, 269, 270, 271
 district chief executive (DCE) (Ghana), 238, 242, 245, 247, 250, 270
 district development council (DDC) (Sri Lanka), 121, 122
 District Development Fund (DDF) (Ghana), 251
 District Development Programme (DDP) (Uganda), 175, 176
 district executive secretary (DES) (Uganda), 146, 147, 148
 District Health Management Teams (DHMTs) (Uganda), 172, 178
 District Planning Committee (DPC) (India), 79, 98
 District Political Authority (DPA) (Sri Lanka), 121
 district service commission (DSC) (Uganda), 147, 148, 153, 154
 District Tender Boards (DTBs) (Uganda), 148
 donor, 2, 6, 96, 101, 154, 155, 158, 161, 175, 179, 180, 183, 213, 230, 235, 250, 256, 259, 283, 285
 Dutch, 25, 26, 27, 48, 50, 55, 61, 117

E

East Timor (Indonesia), 26, 44, 50, 51
 election, 8, 18, 31, 32, 33, 39, 40, 44, 52, 60, 61, 77, 93, 98, 114, 118, 122, 126, 138, 143, 144, 145, 151, 152, 160, 166, 169, 171, 176, 180, 182, 183, 186, 187, 188, 191, 192, 194, 195, 196, 215, 236, 237, 238, 239, 240, 245, 249, 254, 259, 260, 261, 262, 263, 268, 269, 272

Employment Equity Act (South Africa), 197
 empowerment, 14, 38, 39, 65, 85, 102, 139, 193, 201, 203, 204, 226, 284, 286
 equality, 105, 206
 see also inequality
 ethnic conflict, 20, 116
 ethnic identity, 53, 55, 63, 65
 ethnic structure, 52
 ethnicity, 53, 54, 55, 115, 116, 117, 120, 122, 123, 126, 130, 134, 186, 197, 216
 export-oriented industrialization (EOI), 30
 see also import-substitution industrialization (ISI)
 Ezawa (India), 104

F

facilitative leadership, 13, 14
 see also leadership
 facilitator, 13, 14
 Flores (Indonesia), 19, 47, 48, 51, 52, 55, 58, 59, 61, 62, 63, 65, 66, 67, 70, 277
 Foreign Contribution Regulation Act (FCRA) (India), 96, 101
 Forum for Democratic Change (FDC) (Uganda), 155

G

geopolitics, 49, 54
 Ghana Broadcasting Corporation (GBC) (Ghana), 264
 globalization, 3, 49, 90
 good governance, 2, 33, 50, 133, 135, 159, 200, 206, 234, 252, 262, 285
 see also governance, local
 governance, local self-governance
 governance, 6, 7, 10, 19, 75, 76, 91, 114, 115, 116, 117, 122, 123, 127, 128, 130, 131, 133, 134,

135, 137, 158, 201, 234, 255,
260, 272, 282, 285
see also good governance, local
governance, local self-
governance
government, 25, 28, 29, 30, 31, 39,
40, 41, 45, 76, 94, 95, 97, 98, 99,
100, 101, 102, 103, 104, 105,
106, 107, 108, 109, 114, 115,
116, 117, 118, 120, 121, 122,
123, 130, 132, 133, 134, 169,
171, 185, 234, 235, 238, 241,
245, 251, 254, 255, 265, 274, 284
see also central government,
local government
gram (India), 98, 99
see also village
grampanchayat (India), 76, 79, 84,
86, 88
see also local government,
panchayat, village panchayat
gramsabha (India), 80, 81, 83, 84,
98, 99, 108, 109
Growth, Employment and
Redistribution (GEAR) (South
Africa), 189

H

Habibie (Indonesia), 44, 52, 54, 60
health, 31, 38, 42, 87, 88, 96, 101,
120, 154, 170, 171, 172, 173,
174, 176, 178, 179, 192, 200,
202, 215, 221, 235, 236, 241,
242, 246, 262
hegemony, 56, 69, 70

I

import-substitution industrialization
(ISI), 29, 30
see also export-oriented
industrialization (EOI)
inequality, 51, 189, 190, 191, 207
see also equality
information, 3, 9, 14, 15, 21, 99,
127, 151, 153, 173, 177, 178,

182, 204, 235, 239, 242, 250,
252, 253, 254, 259, 260, 261,
262, 264, 268, 269, 270, 271,
272, 273, 274, 278, 279
see also communication, media
Inkatha Freedom Party (IFP) (South
Africa), 194
Institute of Local Government
Studies (ILGS) (Ghana), 249
Institute of Social Science (ISS)
(India), 102
integrated development plan (IDP)
(South Africa), 188, 193, 197,
198, 201, 202, 204, 221
International Monetary Fund (IMF),
49
Inter-Party Forces Co-operation
(IPFC) (Uganda), 144

J

Janatha Vimukthi Peramuna (JVP)
(Sri Lanka), 120
Java (Indonesia), 19, 25, 26, 52, 53,
54, 55, 59, 60, 61, 62
Jubilee Radio (Ghana), 261, 267,
268, 269, 270

K

Kabaka Yekka (KY) (Uganda), 138
Karnataka (India), 19, 77, 93, 94,
95, 97-103, 107-110, 278
Kerala (India), 19, 75, 76, 77, 79,
80, 82, 85, 90, 93, 94, 95, 103-
110, 278, 283, 285
Kerala Institute of Local
Administration (KILA) (India),
103, 109
Kerala Sastra Sahitya Parishad
(KSSP) (India), 94, 95, 105, 106,
107
Keta (Ghana), 261, 265, 266, 267,
268, 270, 272, 273
Kufuor (Ghana), 236, 237, 238, 255,
263

L

Labour Relations Act (South Africa), 197

leadership, 13, 39, 44, 64, 101, 108, 115, 120, 121, 125, 169, 176, 177, 194, 197, 202, 224

see also facilitative leadership

legitimacy, 9, 12, 14, 185, 216, 219, 223, 227, 233, 234, 238

Liberation Tigers of Tamil Elam (LTTE) (Sri Lanka), 116, 126

lifeworld, 19, 47, 48, 56, 58, 59, 60, 61, 62, 65, 66, 67, 68, 69, 70

literacy, 99, 100, 103, 104, 106, 108, 110, 268, 278

livelihood, 51, 110, 171, 220, 223

local authority (LA) (Sri Lanka), 128, 129, 131, 132, 133

local council (LC) system (Uganda), 145, 151, 153, 165, 166, 167, 168, 169, 170, 173, 176, 177, 178, 180, 181, 183, 282

see also resistance council (RC) system

local governance, 76, 77, 79, 80, 82, 97, 101, 102, 103, 128, 133, 206, 229, 252, 253, 261

see also good governance, governance, local self-governance

local government, 2, 4, 6, 9, 11, 13, 17, 18, 25, 26, 27, 31, 32, 34, 35, 36, 37, 38, 39, 41, 42, 45, 49, 54, 75, 76, 77, 78, 79, 81, 82, 84, 85, 87, 88, 89, 90, 91, 93, 97, 99, 102, 103, 105, 108, 109, 115, 118, 119, 121, 128, 129, 134, 137, 138, 139, 140, 142, 145, 147, 148, 149, 150, 151, 152, 154, 155, 156, 157, 158, 159, 161, 168, 170, 171, 172, 174, 175, 176, 177, 178, 179, 180, 181, 185, 186, 187, 188, 190, 191, 192, 193, 194, 195, 196, 198, 199, 200, 204, 205, 206,

213, 214, 215, 217, 218, 219, 220, 222, 223, 224, 226, 227, 228, 229, 234, 237, 238, 239, 240, 242, 243, 245, 248, 249, 250, 254, 259, 260, 267, 277, 278, 282, 284

see also central government, government, grampanchayat, panchayat, village panchayat

Local Government

Municipal Property Rates Act (South Africa), 188

Local Government Development Programme (LGDP) (Uganda), 174, 175, 176

Local Government Negotiating Forum (LGNF) (South Africa), 186

local government reform, 118

see also administrative reform

Local Government Sector Investment Plan (LGSIP) (Uganda), 180

Local Government Transition Act (South Africa), 186, 188, 191

Local Governments Act (Uganda), 145, 147, 148, 149, 151, 153, 154, 159, 181

local self government, 76, 93, 129

local self-governance, 5

locality, 32, 40, 42, 81, 83, 84, 244

M

Malayalam (India), 104, 105

Management Development and Training Unit (MDTU) (Sri Lanka), 126

Management Development Productivity Institute (MDPI) (Ghana), 249

market, 5, 10, 56, 58, 59, 94, 96, 97, 114, 190, 204, 221, 260, 284, 285

Mbeki (South Africa), 190, 195, 200

media, 30, 47, 54, 57, 59, 159, 252, 261, 262, 263, 264, 267, 268, 270, 273, 274
see also communication, information

meeting, 43, 60, 68, 69, 80, 153, 157, 166, 167, 169, 176, 177, 201, 226, 243, 245, 246, 250, 253, 255, 271, 272

Metropolitan, Municipal and District Assemblies (MMDAs) (Ghana), 247, 249, 251, 253

Millennium Development Goals (MDGs), 4

Minister of Regional Administrations (Uganda), 139, 140

Ministry of Local Government (MoLG) (Uganda), 146, 147, 177, 179

Ministry of Local Government, Rural Development and Environment (MLGRDE) (Ghana), 256

Ministry of Provincial Councils (MoPC) (Sri Lanka), 125

Ministry of Public Sector Reform (MPSR) (Ghana), 253, 254, 256

mistrust, 220, 228, 229
see also trust

modernization, 7

multi-party, 114, 137, 138, 142, 143, 144, 166, 180, 183, 187, 237, 238

municipal council, 118, 119, 128

Municipal Demarcation Act (South Africa), 188, 191

Municipal Finance Management Act (South Africa), 188, 201

municipal manager (South Africa), 195, 196, 199, 209

Municipal Structures Act (South Africa), 188, 191, 200, 201, 206, 217, 221

Municipal Systems Act (South Africa), 188, 191, 200, 201, 204, 205, 206

Museveni (Uganda), 138, 143, 144, 145, 160, 169

mutual learning, 180

N

nation building, 57, 70, 141, 284

National Agricultural Advisory Services (NAADS) (Uganda), 171, 173, 174, 176, 178, 179

National Commission for Civic Education (NCCE) (Ghana), 268, 269, 272

National Decentralization Action Plan (NDAP) (Ghana), 21, 250

National Democratic Congress (NDC) (Ghana), 234, 236, 237, 261

National Liberation Council (NLC) (Ghana), 236

National Media Commission (NMC) (Ghana), 263

National Resistance Council (NRC) (Uganda), 143

National Resistance Movement (NRM) (Uganda), 137, 138, 142, 143, 144, 145, 161, 166, 171, 183

National Service Delivery Survey (NSDS) (Uganda), 167, 168, 170

nationalism, 29, 59

nationalization, 66, 69

neo-liberalism, 10, 189, 190, 283
see also privatization

neo-patrimonialism, 20, 137, 160, 181, 183, 284

network, 8, 101, 104, 110, 116, 119, 224, 261

New Patriotic Party (NPP) (Ghana), 234, 236, 237, 238, 245

New Public Management (NPM), 9, 13

Nkrumah (Ghana), 233, 234, 236

non-governmental organization (NGO), 7, 11, 12, 17, 39, 40, 41, 42, 55, 76, 94, 95, 96, 97, 99, 100, 101, 102, 103, 105, 106,

107, 108, 109, 110, 157, 158,
160, 179, 189, 203, 204, 271, 277
see also civil organization, civil
society organization, community-
based organization (CBO)

O

Obote (Uganda), 137, 138, 139, 142
Office of the Head of the Civil
Service (OHCS) (Ghana), 244
Organisation for Economic
Cooperation and Development
(OECD), 6
ownership, 244

P

panchayat (India), 75, 76, 77, 80, 81,
84, 85, 87, 90, 93, 94, 97, 98,
101, 103, 107, 108
see also local government,
village panchayat
Papua (Indonesia), 50, 51, 52, 62
Parent Teachers Association (PTA),
107, 173
parliament, 113, 114, 115, 118, 121,
122, 123, 124, 127
participation, 1, 5, 18, 19, 20, 21,
27, 29, 33, 39, 40, 41, 42, 45, 50,
67, 75, 77, 78, 80, 82, 83, 84, 89,
90, 94, 98, 99, 100, 101, 102,
105, 108, 109, 110, 117, 118,
127, 133, 135, 137, 145, 149,
152, 159, 160, 167, 169, 170,
176, 177, 178, 180, 183, 185,
186, 201, 202, 203, 205, 206,
215, 218, 225, 226, 227, 234,
235, 243, 252, 253, 259, 263,
264, 272, 273, 286
participatory democracy, 82, 203,
225, 226, 228
see also deliberative democracy,
democracy, democratization, par-
ticipation
partnership, 1, 8, 12, 13, 14, 15, 17,
50, 70, 95, 100, 103, 108, 110,

127, 131, 133, 135, 172, 176,
177, 178, 179, 190, 201, 203,
204, 222
People's National Party (PNP)
(Ghana), 236
People's Plan Campaign (India),
75, 83, 85, 87, 94, 106, 109
Plan for Modernization of
Agriculture (PMA) (Uganda),
171, 172, 173, 179
poetic language, 64, 68
popular protest, 214, 224, 226, 227
postcolonial, 27, 55, 70, 138
poverty, 1, 6, 27, 44, 89, 101, 159,
166, 171, 175, 189, 190, 191,
195, 199, 207, 221, 255
Poverty Eradication Action Plan
(PEAP) (Uganda), 170, 171, 181
poverty reduction, 4, 105, 157, 166,
249, 254, 259, 260
power, 25, 26, 28, 29, 30, 31, 33, 42,
57, 61, 63, 65, 76, 78, 83, 90, 91,
98, 100, 114, 115, 116, 118, 119,
121, 122, 123, 124, 125, 126,
127, 128, 129, 130, 132, 133,
134, 137, 139, 140, 141, 142,
143, 144, 145, 146, 147, 149,
153, 154, 160, 167, 185, 191,
193, 196, 199, 200, 204, 206,
213, 214, 215, 216, 217, 221,
222, 225, 233, 235, 236, 243,
245, 246, 255
Pradeshiya Sabha (Sri Lanka), 118,
128
principle of subsidiarity, 2
privatization, 5, 49, 57, 106, 171,
174, 178, 189, 190, 204, 285
see also neo-liberalism
pro-poor outcome, 2, 6, 7, 278
see also the poor
provincial council, 20, 116, 117,
118, 122, 123, 124, 125, 126,
127, 128, 129, 130, 131, 132,
133, 134, 214, 216, 282

provincial government, 26, 32, 33,
34, 35, 37, 42, 43, 127, 213, 214,
217, 223, 228

provincial governor (Sri Lanka),
124, 131

Provisional National Defence
Council (PNDC) (Ghana), 234,
236, 237, 241, 243, 244, 246

public action, 19, 75, 82, 90, 103,
110

public administration, 20

public interest, 14, 26, 27, 29, 36,
105, 140, 201, 252, 263, 269,
270, 271

public service, 1, 20, 32, 93, 101,
125, 129, 170, 171, 174, 178,
198, 220, 236, 241, 242, 243, 278
see also service, service delivery,
service provider, service
provision, social service

Public Service Commission (PSC)
(Uganda), 137, 138, 139, 140,
148

publicness, 7, 17

R

Rawlings (Ghana), 234, 236, 237,
261, 263

re-centralization, 31, 148, 160, 214,
233

Reconstruction and Development
Programme (RDP) (South
Africa), 189, 192

redistribution, 51, 57, 59, 120, 190,
205, 260

Regional Coordinating Council
(RCC) (Ghana), 244

rent-seekeing, 41

resistance council (RC) system
(Uganda), 142, 145, 146 *see also*
local council (LC) system

resource, 27, 29, 31, 37, 38, 39, 47,
48, 51, 52, 53, 55, 62, 68, 75, 76,
78, 79, 81, 84, 85, 90, 98, 105,
106, 129, 132, 133, 147, 149,

153, 154, 155, 158, 160, 185,
189, 200, 202, 203, 204, 207,
216, 221, 222, 229, 261, 271
responsiveness, 1, 2, 9, 244, 259

S

Satellite based Communication
Training (SATCOM) (India),
102, 103

scheduled caste (SC) (India), 83, 85,
97, 98, 109, 110

scheduled tribe (ST) (India), 83, 85,
98, 109, 110

Self Employed Women's
Association (SEWA) (India), 96
self-governance, 77, 79

see also good governance, local
governance, local self-
governance

self-help group (SHG), 96, 101

service, 37, 39, 57, 87, 88, 117, 120,
124, 127, 129, 132, 134, 149,
169, 170, 171, 172, 173, 174,
175, 176, 177, 178, 180, 182,
185, 188, 190, 191, 192, 193,
196, 198, 200, 201, 204, 213,
214, 215, 216, 217, 219, 220,
222, 224, 227, 228, 229, 234,
241, 243, 250, 255, 260

see also public service, service
delivery, service provider, service
provision, social service

service delivery, 6, 10, 13, 115, 127,
131, 133, 134, 140, 146, 147,
157, 160, 170, 175, 192, 193,
195, 196, 197, 198, 200, 203,
204, 207, 214, 220, 222, 223,
226, 227, 228, 234, 242, 251,
254, 259, 260

see also public service, service,
service provider, service

provision, social service
service provider, 133, 172, 174, 175,
176, 178, 204, 222

see also public service, service,
 service delivery, service
 provision, social service
 service provision, 146, 172, 204,
 218
see also public service, service
 delivery, service, service
 provider, social service
 social capital, 3, 104, 108, 193, 224
 social exclusion, 14
 social movement, 7, 11, 19, 107,
 196, 283
 social service, 96, 100, 101, 171,
 174, 189, 219
see also public service, service,
 service delivery, service provider,
 service provision
 Society for Participatory Research in
 Asia (PRIA) (India), 95
 Soeharto (Indonesia), 5, 18, 19, 26,
 31, 44, 47, 49, 50, 52, 53, 54, 60,
 62, 277, 283
 Soekarno (Indonesia), 27, 44, 53, 60
 sphere, 4, 47, 58, 65, 68, 79, 123,
 124, 187, 188, 191, 192, 196,
 198, 200, 216
see also tier
 stakeholder, 2, 6, 8, 11, 12, 14, 36,
 39, 40, 42, 44, 181, 203, 204,
 244, 245, 253, 277, 279, 283, 285
 state, 2, 3, 4, 9, 12, 17, 28, 29, 30,
 49, 50, 53, 54, 55, 57, 58, 59, 60,
 62, 90, 114, 116, 117, 118, 119,
 120, 121, 122, 123, 128, 130,
 134, 177, 183, 185, 187, 205,
 213, 214, 216, 217, 219, 220,
 225, 226, 228, 229, 235, 236, 264
 state domestic product (SDP)
 (India), 104
 state government (India), 77, 78, 79,
 85, 94, 95, 99, 100, 102, 103,
 106, 107, 108, 109, 110
 structural adjustment program
 (SAP), 5, 284
 sub-county (Uganda), 140, 147, 148,
 149, 150, 151

sub-national government, 3, 17, 26,
 31, 33, 42, 122, 125, 129, 131
 sustainability, 14, 21, 89, 171, 173,
 192, 205, 286
 synergy, 8, 97, 175, 177

T

taluk (India), 75
 Tamil (Sri Lanka), 115, 116, 120,
 121, 122, 123, 125, 126
 tax, 36, 37, 38, 39, 51, 79, 85, 104,
 126, 129, 150, 154, 155, 173,
 176, 181, 198, 199, 205, 220,
 223, 246
 the poor, 87, 153, 155, 171, 172,
 185, 190, 193, 196, 220, 222,
 259, 260, 273
see also pro-poor outcome
 the public, 3, 7, 13, 137, 144, 145,
 149, 152, 157, 160, 215, 225,
 239, 244, 253, 260, 270, 271
 tier, 4, 75, 76, 77, 79, 85, 90, 91, 93,
 98, 103, 116, 122, 123, 129, 130,
 132, 133, 135, 145, 149, 187,
 213, 214, 215, 217, 222
see also sphere
 top down, 7, 26, 58, 60, 78, 91, 106,
 108, 130, 158, 167, 186, 278
see also bottom up
 Total Literacy Campaign (India),
 106, 108
 tradition, 45, 61, 65, 66, 67, 101
 transaction cost, 250
 trust, 9, 42, 169, 222, 223, 224, 226,
 278
see also mistrust

U

Uganda Local Governments
 Association (ULGA) (Uganda),
 148, 156, 179
 unconditional grant, 154
see also conditional grant
 United Nations, 4, 51, 175

United Nations Development
Programme (UNDP), 49
Universal Primary Education (UPE)
(Uganda), 171, 172
urban council, 118, 119, 128

V

village, 27, 33, 42, 43, 44, 54, 63,
66, 68, 75, 76, 77, 79, 80, 85, 90,
98, 102, 107, 118, 119, 122, 141,
146, 147, 149, 150, 151
see also gram
village panchayat, 98, 99, 102, 103,
107
see also local government,
panchayat, village panchayat

W

welfare state, 2, 3, 57
women, 54, 58, 63, 80, 83, 85, 87,
93, 94, 95, 96, 97, 98, 99, 100,
101, 102, 109, 110, 149, 151,
195, 215, 265, 278
World Bank, 49, 234, 261, 262

Y

youth, 104, 120, 121, 149, 151, 265

Z

zilla (India), 98